

Vol. XV
TRANSCRIPT OF RECORD

(Pages 4537 to 4806)

Supreme Court of the United States

OCTOBER TERM, 1951

No. 428

**PENNSYLVANIA WATER AND POWER COMPANY
AND SUSQUEHANNA TRANSMISSION COMPANY
OF MARYLAND, PETITIONERS,**

vs.

FEDERAL POWER COMMISSION ET AL.

No. 429

**PENNSYLVANIA PUBLIC UTILITY COMMISSION,
PETITIONER,**

vs.

FEDERAL POWER COMMISSION

**ON WRITS OF CERTIORARI TO THE UNITED STATES COURT OF
APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT**

PETITIONS FOR CERTIORARI FILED NOVEMBER 16, 1951

CERTIORARI GRANTED FEBRUARY 1, 1952

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ITEM A

[25347] (page 1)

THIS AGREEMENT made this 12th day of April, 1910, between PENNSYLVANIA WATER & POWER COMPANY, a corporation of the State of Pennsylvania, party of the first part, hereinafter called the Power Company, and SUSQUEHANNA TRANSMISSION COMPANY OF MARYLAND, a corporation of the State of Maryland, party of the second part, hereinafter called the Transmission Company.

WITNESSETH that WHEREAS the Transmission Company has begun the construction and equipment of a Transformer House in Orangeville, Baltimore County, Maryland, and the construction of a line for the transmission of electric current between said Transformer House and a point on the State line between Pennsylvania and Maryland, for which purpose it has acquired a Right of Way, and

WHEREAS it is desirous of completing this Transformer House and line without interruption, in accordance with plans which were prepared by the Power Company and are known to it, and for this purpose requires to have a guarantee of sufficient funds to cover previous and future expenditure.

NOW THEREFORE the Power Company hereby guarantees to furnish to the Transmission Company all monies necessary for the completion of the Transformer House and transmission line, in accordance with such plans, in such amounts and at such times as said Transmission Company may desire, it being understood that the total amount of money so advanced shall be sufficient to include all expenses incidental to the completion of said Transformer House and Transmission Line, including salaries of engineers and draughtsmen, wages of laborers, cost of material and all other legitimate items of expense connected therewith, and the Power Company hereby binds itself to furnish monies

as aforesaid, regardless of any business or financial depression, or any other unfavorable condition, which may arise prior to the completion of said Transformer House and transmission line.

In consideration of the undertakings of the Power Company hereinbefore set forth, the Transmission Company hereby agrees to mortgage all property, real and personal, and all easements, privileges, franchises and rights which it now has, or hereafter may acquire by a Deed of Trust in which such institution, person or persons as the Power Company may designate, shall be named as Trustee or Trustees to secure an issue of Bonds not to exceed Two MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000.00) and to issue and deliver to the Power Company such Bonds taken at 90% of their face value plus accrued interest, to an amount equal to the total amount of money advanced by the Power Company to the Transmission Company, that is, for every NINE HUNDRED DOLLARS (\$900.00) advanced by the Power Company, the Transmission Company will deliver to the Power Company Bonds to the value of ONE THOUSAND DOLLARS (\$1,000.00), said Bonds to be dated July 1st, 1910 and to bear interest at the rate of FIVE PER CENT (5%) per annum from the date of issue, delivery to the Power Company to be made on August 1st, 1910, of Bonds to an amount equal to the amount of money already advanced by the Power Company to the Transmission Company, and to [25348] (page 2) be made on the first day of each month thereafter to an amount equal to the amount of money advanced by the Power Company to the Transmission Company during the preceding month, and to be made as to all said Bonds remaining upon the completion of said Transmission line. The Deed of Trust and the Bonds are to be in such form as the Power Company shall require.

It is further agreed that should the Transmission Company undertake the construction of lines, the erection of buildings or any other work in addition to that specified in this agreement, the Power Company will furnish the neces-

sary monies on the same terms and conditions as herein before set forth, provided that before beginning such new work the Transmission Company shall secure the approval of the Power Company and shall carry out such new work in accordance with plans prepared by the Power Company.

IN WITNESS WHEREOF, this instrument has been executed by the parties hereto, the day and year first above written.

PENNSYLVANIA WATER & POWER COMPANY
(SEAL)

(Signed) J. E. Alford
President

(Signed) Sherman L. Lewis
Secretary

SUSQUEHANNA TRANSMISSION CO. OF
MARYLAND

(SEAL)

(Signed) Chas. E. F. Clarke
President

(Signed) Sherman L. Lewis
Secretary

ITEM B

[25349] (page 1)

THIS AGREEMENT, made this 3rd day of April, 1911, between the PENNSYLVANIA WATER & POWER COMPANY, a corporation of the State of Pennsylvania (hereinafter called "The Power Company"), and the SUSQUEHANNA TRANSMISSION COMPANY OF MARYLAND, a corporation of the State of Maryland (hereinafter called "The Transmission Company");

WITNESSETH THAT WHEREAS the Power Company has a hydro-electric power plant at or near McCall Ferry, Pennsylvania, and has contracted to supply electric power therefrom to purchasers in the City of Baltimore; and

WHEREAS, The Transmission Company has a transmission line extending from the end of the transmission line of the Susquehanna Transmission Company of Pennsylvania, at the Maryland and Pennsylvania State Line, to a point outside of the City of Baltimore, where The Transmission Company has a transformer station; and

WHEREAS, The Power Company is entitled to first mortgage five per cent. bonds of The Transmission Company of an aggregate par value of \$1,032,000. for advances made to April 1, 1911, and to additional bonds of the same series for advances since made, and will be entitled to further bonds upon making subsequent advances, pursuant to the contract between the parties hereto;

NOW, THEREFORE, in consideration of the premises, and of the mutual covenants and promises of the parties, it is agreed as follows:

The Transmission Company agrees to receive at said State Line such electricity and electrical energy as may be delivered to it by The Power Company, not exceeding the capacity of its line, and carry and deliver the same, less the

natural loss of transmission, to said transformer station, and there transform the same to such voltage as may be required by The Power Company, and thereupon make delivery thereof at said transformer station to purchasers from The Power Company, as may be directed by The Power Company.

The Transmission Company further agrees to maintain, operate and keep in repair its said transmission line and transformer station, and pay the taxes, insurance and other necessary expenses in connection therewith.

In consideration of the premises, The Power Company agrees to forbear and waive the payment of the interest for each successive six months' interest period on the bonds of The Transmission Company held by The Power Company, and to endorse upon such bonds at each interest date a cancellation of the interest accruing for the preceding six months, provided, however, The Transmission Company shall have faithfully performed its obligations under this agreement to such date. The Power Company agrees that such cancellation of interest on the bonds shall be operative though the bonds are deposited with the Trustee of the Power Company's mortgage, and that all the bonds of The Transmission Company received by The Power Company shall be so far kept in the ownership and control of the Power Company that the interest thereon may be effectually canceled, or, if that be not done, that The Power Company will pay in cash to The Transmission Company an amount equal to the interest accruing on the bonds no longer so kept.

[25350] (page 2)

The Power Company further agrees to pay to The Transmission Company on the first days of January and July in each year a sum equal to the cost of maintaining, operating and keeping in repair its said transmission line and transformer station, and the taxes, insurance and other necessary expenses in connection therewith, for the preced-

ing six months. In arriving at the sum aforesaid, The Power Company shall be credited with the incidental revenue collected by The Transmission Company, including receipts for agricultural leases and farming rights and the sale of wood and other products, but not with the proceeds of lands sold.

This agreement is to take effect from January 1, 1911, and may be terminated by either party forthwith upon a breach thereof on the part of the other party. If not so terminated, it is to remain in force until terminated by either party on six months' notice to the other party.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

PENNSYLVANIA WATER & POWER COMPANY,
(SEAL)

By (Signed) J. E. Aldred
President.

Attest:

(Signed) Sherman L. Lewis
Secretary.

SUSQUEHANNA TRANSMISSION COMPANY OF
MARYLAND.

(SEAL)

By (Signed) Chas. E. F. Clarke
President.

Attest:

(Signed) Sherman L. Lewis
Secretary.

ITEM C:

[25351] (page 1)

THIS AGREEMENT, made on this 19th day of March, 1931, between PENNSYLVANIA WATER AND POWER COMPANY, a corporation of the State of Pennsylvania, party of the first part, (hereinafter called Power Company), SUSQUEHANNA TRANSMISSION COMPANY OF MARYLAND, a corporation of the State of Maryland, party of the second part, (hereinafter called Transmission Company), and CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE, a corporation of the State of Maryland, party of the third part, (hereinafter called Baltimore Company).

WHEREAS the Transmission Company is a wholly owned subsidiary of Power Company, and in pursuance of agreements, entered into on the 12th day of April, 1910, and the 3rd day of April, 1911, understood to construct and also to maintain, operate and keep in repair a transmission line and other necessary equipment for the purpose of conveying electrical power and energy from the Maryland-Pennsylvania State Line to a transformer substation, situated near the boundary line of Baltimore City, but now located in Baltimore City, which transmission line runs from said Maryland-Pennsylvania State Line through Harford and Baltimore Counties in the State of Maryland to said transformer station, at which point it ~~delivers the said power in~~ accordance with instructions of the Power Company; and

WHEREAS the Power Company and the Transmission Company have both fully performed all of the terms and stipulations of said contracts of April 12th, 1910, and April 3rd, 1911, above referred to, both of which contracts are in full force and effect and are in course of performance; and

WHEREAS the Power Company has heretofore notified the Transmission Company that it has agreed to enter into a contract with the Baltimore Company and Safe Harbor

Water Power Corporation, a Pennsylvania corporation, whereby, amongst other things, the Power Company will undertake to convey and transmit and cause to be conveyed and transmitted electrical power or energy, generated at the plant or dam of the Safe Harbor Water Power Corporation, situated in York and Lancaster Counties in the State of Pennsylvania, to, or approximately to, the step-down substations to be built by the Baltimore Company at or near Westport, Baltimore City, and Turner's Station, Baltimore County; and

WHEREAS the Power Company has requested the Transmission Company to acquire such lands, rights of way and easements as may be necessary, by purchase or by condemnation, and thereon to erect and construct two transmission lines, both beginning at the Maryland-Pennsylvania State Line, the first of which to be known as the Westport Line, will pass through Baltimore, Howard and Anne Arundel Counties to, or approximately to, a step-down substation to be built by the Baltimore Company, near its Westport power house, and the second of which, to be known as the Riverside Line, will run through Harford and Baltimore Counties to a step-down substation to be built by the Baltimore Company adjacent to the site of its proposed power house at Turner's Station in Baltimore County, the Westport Line to be completed and ready for operation when the first generating unit of the Safe Harbor Water Power Corporation is ready for service and operation, and the Riverside Line, to be constructed later, to be ready for service on a date to be agreed upon by the parties hereinbefore referred to; and

[25352] (page 2)

WHEREAS in order to provide and finance the cost of said additional facilities, as contemplated by the Power Company, the Baltimore Company and said Safe Harbor Water Power Corporation, the Transmission Company has authorized an increase of its capital stock from the sum or

amount of Fifty Thousand Dollars (\$50,000), consisting of five hundred (500) shares of the par value of One Hundred Dollars (\$100.00) each, whereof five (5) shares are now outstanding; to the sum or amount of Five Million Dollars (\$5,000,000.00), consisting of fifty thousand (50,000) shares of the par value of One Hundred Dollars (\$100.00) each, and to finance the cost of said additional facilities by the sale of so many of said shares of stock as may be required to the Power Company upon the terms herein set forth.

THEREFORE THESE PRESENTS WITNESS, that in consideration of the premises and of the mutual covenants and agreements herein contained, the parties hereto have agreed as follows:

First: This agreement is supplementary to, and not in substitution for, the agreements of April 12th, 1910, and April 3rd, 1911, above referred to, which said agreements, with all their terms, provisions and conditions, are hereby reaffirmed between the Power Company and the Transmission Company, except as hereinafter provided.

Second: The Transmission Company agrees to purchase and acquire lands, rights of way and easements, and to construct the transmission lines hereinbefore referred to, in accordance with plans and specifications supplied by the Power Company to the Transmission Company; and the Transmission Company further agrees to receive, carry, convey and transmit electricity and electrical energy delivered to it at said Maryland-Pennsylvania State Line by the Power Company, up to but not exceeding the capacity of its said transmission lines, as the same may be originally constructed or may be added to and extended any time in the future. The Transmission Company further agrees to make all necessary additions to and extensions of its transmission lines, including new and additional buildings, lines and other facilities, machinery and equipment of all kinds, as may be reasonably requested by the Power Company.

Third: The Power Company agrees to advance and furnish to the Transmission Company the full cost of said lands, rights of way and easements, new and additional buildings, transmission lines and other facilities, machinery and equipment of all kinds, including costs of condemnation, if condemnation be necessary, counsel fees, salaries of engineers and draughtsmen, wages of laborers, cost of materials, and all other items of expense connected therewith, and to furnish said moneys regardless of business conditions or financial depression or any other unfavorable condition which may arise prior to the completion of said transmission lines as the same may be originally constructed, or may be added to and extended any time in the future.

Fourth: The Transmission Company agrees to pay to the Power Company interest on all such advances until such advances shall have been paid as hereinafter provided.

[25353] (page 3)

Fifth: The Power Company shall and will accept in payment of its said advances and accumulated interest thereon, shares of stock of the Transmission Company at the par value thereof, if requested by the Transmission Company so to do; or will accept cash therefor, or such obligations of the Transmission Company as may be acceptable to the Power Company, all subject, however, to the approval of the Public Service Commission of the State of Maryland.

Sixth: Upon the completion by the Transmission Company of any of the construction work enumerated in paragraph "Second" hereof, or upon any date or dates as may be agreed upon by the parties hereto from time to time, accounts shall be stated of the sums advanced by the Power Company for the purposes aforesaid, together with accumulated interest thereon, and settlement thereof shall be

made in accordance with the "Fifth" paragraph of this agreement.

Seventh: The Transmission Company agrees to receive at said Maryland-Pennsylvania State Line such electricity and electrical energy as may be delivered to it by the Power Company, not exceeding the capacity of its said lines, or either of them, and to carry and deliver the same, less the natural waste of transmission, to the points in or near the City of Baltimore, as hereinbefore referred to, and there to make delivery of the same to the Consolidated Gas Electric Light and Power Company of Baltimore.

The Transmission Company further agrees to maintain, operate and keep in repair its transmission system in this agreement referred to.

Eighth: The Power Company undertakes to pay in cash to the Transmission Company, or for its account, all sums expended by the Transmission Company for the maintenance, operation and repair of its said transmission lines, and for its taxes, insurance premiums, general expenses and all other necessary expenditures required of the Transmission Company of whatsoever kind and howsoever incurred, including renewals and replacements, and any damage claims.

Ninth: The Transmission Company will at all times perform the obligations undertaken by the Power Company under its agreement with the Baltimore Company and Safe Harbor Water Power Corporation, hereinbefore referred to, insofar as the Power Company binds itself to do acts and things which are performable through the instrumentality of the Transmission Company.

Tenth: In order that the Transmission Company shall be able at all times to comply fully with the provisions of its charter, as amended, and the laws of the State of Mary-

land, Baltimore Company and Power Company agree to supply to the said Transmission Company such amounts of hydro electrical energy received from the Safe Harbor plant and/or Holtwood Plant and steam generated electrical energy as the said Transmission Company may require from time to time during the term of this agreement, in order to supply electrical energy to such of the public as may apply for it, or to comply with any order of the Public Service Commission of Maryland. The Baltimore Company also agrees that for the aforesaid purposes it will promptly make its distribution lines and facilities available for the use of the said Transmission Company.

[25354] (page 4)

The rates to be paid by the Transmission Company for the energy and the use of the distribution lines and facilities of the Baltimore Company shall be agreed upon from time to time by the said two companies. In the event the companies are unable to agree upon the rates, the Baltimore Company shall supply the electrical energy to the Transmission Company as soon as it is needed by the latter Company, and permit it to use its distribution lines and facilities, and the question of the rates shall be settled by arbitration. Each of the parties shall name one arbitrator and the two thus appointed shall choose the third arbitrator. Should the second or third arbitrator remain unselected at the expiration of thirty (30) days after notice of appeal to arbitration is given by either party, the second or third arbitrator, or both, shall be selected by one of the members of the Public Service Commission of Maryland. The determination of the arbitrators, or a majority of them, shall be final and binding upon the Transmission Company and the Baltimore Company.

Eleventh: This agreement is to take effect from March 19th, 1931, and is to remain in force until the 22nd day of April, 1980.

IN WITNESS WHEREOF the parties have executed this agreement the day and year first above written.

PENNSYLVANIA WATER AND POWER COMPANY
(SEAL)

By (Signed) CHAS. E. F. CLARKE
President

ATTEST:

(signed) F. J. ALLEN
Secretary

SUSQUEHANNA TRANSMISSION COMPANY OF
MARYLAND
(SEAL)

By (Signed) J. A. WALLS
Vice President

ATTEST:

(signed) JAS. L. RINTOUL
Secretary

CONSOLIDATED GAS ELECTRIC LIGHT AND
POWER COMPANY OF BALTIMORE
(SEAL)

By (Signed) CHAS. M. COHN
Vice President

ATTEST:

(signed) C. E. WOLLMAN
Asst. Secretary

ITEM D.

[25355] (page 1)

AGREEMENT BETWEEN P. W. & P. COMPANY,
SUSQ. TRANS. COMPANY OF MARYLAND AND
BALTIMORE COMPANY, CONCERNING TRANS-
MISSION LINE TO WASHINGTON

THIS SUPPLEMENTAL AGREEMENT made as of the first day of August, 1932, between PENNSYLVANIA WATER & POWER COMPANY, a corporation of the State of Pennsylvania, hereinafter called "Power Company," SUSQUEHANNA TRANSMISSION COMPANY OF MARYLAND, a corporation of the State of Maryland, hereinafter called "Transmission Company," and CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE, a corporation of the State of Maryland, hereinafter called "Baltimore Company."

WHEREAS Transmission Company is a wholly owned subsidiary of Power Company, and in pursuance of an agreement entered into on the nineteenth day of March, 1931, with Power Company and Baltimore Company, has constructed the section that is located in the State of Maryland, of the transmission line from Safe Harbor, Pennsylvania, to Baltimore, Maryland, known as the Westport line; and

WHEREAS in paragraph "Second" of the said agreement of March 19, 1931, Transmission Company further agreed to make at any time in the future all necessary additions to and extensions of its transmission lines, including new and additional buildings, lines and other facilities, machinery and equipment of all kinds, as may be reasonably requested by Power Company; and

WHEREAS Power Company has entered into a contract of even date herewith with Baltimore Company, whereby, amongst other things, Power Company will construct or cause to be constructed a high tension interconnection between the electric system of Baltimore Company and the

electric system of the Potomac Electric Power Company of Washington.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH: That for and in consideration of the mutual covenants and agreements hereinafter contained and the sum of Five Dollars (\$5.00) paid by each of the parties hereto to the other, receipt whereof is hereby acknowledged, and of other valuable considerations, Power Company, Transmission Company and Baltimore Company do covenant and agree as follows:

First: This agreement is supplementary to the said agreement of March 19, 1931, above referred to, and all the terms, provisions, and conditions contained therein are hereby reaffirmed between Power Company, Transmission Company and Baltimore Company.

Second: Power Company hereby requests Transmission Company, and Transmission Company hereby agrees, to construct, operate and maintain, as additions to and extensions of its transmission lines under paragraph "Second" of the said agreement of March 19, 1931, two (2) parallel and adjacent transmission lines of substantially the same design and construction as the said existing Westport line, to extend from a point [25356] (page 2) near Ellicott City, in Howard County, Maryland, on the said Westport transmission line of Transmission Company, east of the Ilchester Road and north of the Montgomery Road, to a point in Prince Georges County, near Takoma Park, Maryland, adjacent to the northeasterly boundary line of the District of Columbia, one of the said lines to be completed and ready for operation by October 1, 1933, and the other line to be constructed within two years after such date or as may be agreed upon by the parties hereto, together with a switching station to connect the said transmission lines to the existing Westport line of Transmission Company.

Third: Transmission Company agrees to transmit over said line such electrical power and energy as may be de-

livered to it at the terminals of said transmission lines for the purpose.

Fourth: Transmission Company will at all times perform the obligations undertaken by Power Company under its agreement with Baltimore Company, hereinbefore referred to, insofar as Power Company binds itself to do acts and things which are performable through the instrumentality of Transmission Company.

Fifth: In order that Transmission Company shall be able at all times to comply fully with the provisions of its charter, as amended, and the laws of the State of Maryland, Baltimore Company and Power Company agree to supply to said Transmission Company such amounts of electrical energy as said Transmission Company may require from time to time during the term of this agreement, in order to supply electrical energy to such of the public as may apply for it, or to comply with any order of the Public Service Commission of Maryland. Baltimore Company also agrees that for the aforesaid purposes it will promptly make its distribution lines and facilities available for the use of said Transmission Company.

The rates to be paid by Transmission Company for the energy and the use of the distribution lines and facilities of Baltimore Company shall be agreed upon from time to time by the said two companies. In the event the companies are unable to agree upon the rates, Baltimore Company shall supply the electrical energy to Transmission Company as soon as it is needed by the latter Company, and permit it to use its distribution lines and facilities, and the question of the rates shall be settled by arbitration. Each of the parties shall name one arbitrator and the two thus appointed shall choose the third arbitrator. Should the second or third arbitrator remain unselected at the expiration of thirty (30) days after notice of appeal to arbitration is given by either party, the second or third arbitrator, or both, shall be selected by one of the members of the Public

Service Commission of Maryland. The determination of the arbitrators, or a majority of them, shall be final and binding upon Transmission Company and Baltimore Company.

Sixth: This agreement shall remain in force until midnight of April 22, 1980:

[25357] (page 3)

IN WITNESS WHEREOF the parties hereto have executed this agreement the day and year first above written.

PENNSYLVANIA WATER & POWER COMPANY
(SEAL)

By (Signed) J. A. WALLS
Vice President

Attest:

(Signed) J. E. O'CONNOR
Asst. Secretary

SUSQUEHANNA TRANSMISSION COMPANY OF
MARYLAND
(SEAL)

By (Signed) J. A. WALLS
Vice President

Attest:

(Signed) JAS. L. RINTOUL
Secretary

CONSOLIDATED GAS ELECTRIC LIGHT AND
POWER COMPANY OF BALTIMORE
(SEAL)

By (Signed) HERBERT A. WAGNER
President

Attest:

(Signed) WM. SCHMIDT, JR.
Secretary

ITEM E.

[25361] (page 1)

**AGREEMENT BETWEEN SAFE HARBOR WATER
POWER CORPORATION, CONSOLIDATED GAS
ELECTRIC LIGHT AND POWER COMPANY
OF BALTIMORE AND PENNSYLVANIA
WATER AND POWER COMPANY.**

THIS AGREEMENT made as of the 1st day of June, 1934, between SAFE HARBOR WATER POWER CORPORATION, a Pennsylvania corporation, hereinafter called "Safe Harbor Company," CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE, a Maryland corporation, hereinafter called "Baltimore Company," and PENNSYLVANIA WATER AND POWER COMPANY, a Pennsylvania corporation, hereinafter called "Holtwood Company."

Safe Harbor Company is constructing a hydro-electric development on the Susquehanna River at Safe Harbor, Pennsylvania, in York and Lancaster Counties. The so-called "initial development" will consist of six main generating units with a total turbine capacity of approximately 255,000 horsepower and the required step-up transformers, exclusive of high tension switching stations.

Baltimore Company is engaged in the generation, purchase and sale of electrical power and energy for light, heat and power purposes in the City of Baltimore and in the State of Maryland.

Holtwood Company is engaged in the generation, purchase and sale of electrical power and energy and owns and operates a hydro-electrical development and a steam-electric generating station on the Susquehanna River, below Safe Harbor, at Holtwood, Pennsylvania, in York and Lancaster Counties, and an interconnected transmission system.

[25362] (page 2)

Baltimore Company and Holtwood Company (referred to hereinafter as the "receiving companies") desire to purchase, and Safe Harbor Company desires to sell, the entire output of the initial Safe Harbor development.

Holtwood Company is now supplying electrical energy to Baltimore Company at Baltimore under an agreement dated December 31, 1927, and terminating December 31, 1970, to be supplemented by a supplemental agreement of even date herewith. Said agreement provides that the investment policies of the two companies for additional generating and transmission facilities shall be co-ordinated well in advance, that the co-operative use of facilities should be encouraged, and that "the joint use of property and equipment by the two parties shall give the greatest practical benefit to the general public supplied by the two systems and that all unnecessary duplication of investment and operating cost shall be avoided except such as would contribute toward the maintenance and improvement of the high standard of service rendered." Holtwood Company subsidiaries, the Susquehanna Transmission Company of Pennsylvania and the Susquehanna Transmission Company of Maryland, own and operate high tension transmission lines in Pennsylvania and Maryland and a large substation in Baltimore, for the purpose of delivering energy to Baltimore Company. For economy of operation and of division of loads among the several lines, co-ordination of investment, and avoiding duplication in equipment and personnel, it is desirable that Holtwood Company, through itself and/or subsidiaries, should be the carrier for Safe Harbor energy purchased by Baltimore Company.

The construction of Safe Harbor Company's initial development is to be financed through the issuance by Safe Harbor Company of stock and first mortgage bonds. The stock [25363] (page 3) issued or about to be issued by Safe Harbor Company is to be two-thirds voting stock and one-

third non-voting stock. Of the voting stock half is to be owned by Baltimore Company, half by Holtwood Company. All of the non-voting stock is to be owned by Baltimore Company. The bonds of Safe Harbor Company are to be guaranteed by Baltimore Company and/or Holtwood Company. As between Baltimore Company and Holtwood Company, Baltimore Company's ultimate liability on any such guaranty of the bonds is to be two-thirds, Holtwood Company's one-third.

Now, THEREFORE, THIS AGREEMENT WITNESSETH: That for and in consideration of the mutual covenants and agreements hereinafter contained and the sum of Five Dollars (\$5.00) paid by each of the parties hereto to the other, receipt whereof is hereby acknowledged; and of other valuable considerations, Safe Harbor Company, Baltimore Company and Holtwood Company do covenant and agree as follows:

ARTICLE I

DURATION OF AGREEMENT

This agreement shall remain in force until midnight of April 22, 1980.

ARTICLE II

POWER AND ENERGY ENTITLEMENTS

Baltimore Company and Holtwood Company shall be entitled to all the capacity and energy available (other than any which may be required for the performance of any duty or obligation to serve imposed on Safe Harbor Company by its charter or otherwise by law) from the initial six unit development at Safe Harbor, equal to approximately 255,000 horsepower and 850,000,000 kwh, average annual energy [25364] (page 4). at full utilization, this total entitlement to be divided between Baltimore Company and Holtwood Company as follows:

The part of the total capacity and daily energy available from the initial development, as measured on the low

tension side of the step-up transformers at Safe Harbor, to which each receiving company is entitled will be called that company's "contract proportion." Baltimore Company's contract proportion shall be two-thirds and Holtwood Company's contract proportion one-third.

ARTICLE III

OTHER ENTITLEMENTS

(a) At the request and for the benefit of either Baltimore Company or Holtwood Company, Safe Harbor Company shall install additional machinery or equipment, not included in the initial development, subject to the stipulation in the last paragraph of Article V, provided such request is submitted in writing to Safe Harbor Company at least eighteen months before the date when the facilities are to be completed, and that the arrangement is approved by the receiving company which is not making the request. Furthermore, Safe Harbor Company will not contract to supply power and energy (except any which may be required for the performance of any duty or obligation to serve imposed on it by its charter or otherwise by law) from additions to its plant to any party other than Baltimore Company and Holtwood Company without the written consent of both Baltimore Company and Holtwood Company.

(b) When there is an actual or threatened power shortage in the interconnected hydro and steam systems of the receiving companies, or of the customers of hydro plants located on the Susquehanna River below Safe Harbor, the Safe Harbor [25365] (page 5) reservoir will be operated to regulate the flow to the maximum shown to be possible by computations based on previous minimum flow periods. In the event of further power shortage, either Baltimore Company or Holtwood Company is entitled to draw from the reservoir its contract proportion of the then available storage, provided, however, that when and if either company alone exercises this right it will use a portion of its normal

energy entitlement to compensate the other receiving company for its loss in energy caused by the reduction in head due to such additional draw-down.

(c) Each of the receiving companies, Baltimore Company and Holtwood Company, is entitled to receive from Safe Harbor Company its contract proportion of all energy, payments or other compensations that Safe Harbor Company may be able to secure from the owners or operators of power plants on the Susquehanna River below Safe Harbor by reason of being beneficiaries of the operation of the Safe Harbor reservoir for flow regulation, or from supplying power and energy to any person or corporation other than Baltimore Company and Holtwood Company. Any such payments to which Baltimore Company and Holtwood Company may become entitled may be deducted from the payments required under Article V hereof.

ARTICLE IV

CO-ORDINATION AND JOINT USE OF FACILITIES

It is the intent *inter alia* of this long term agreement to encourage the maximum co-operative utilization of the power and energy entitlements and resources and other facilities of the parties hereto to the end that the joint use of their property and equipment shall give the greatest practical benefit to the public and that all duplication of investment and [25366] (page 6) operating cost shall be avoided except such as would contribute toward the maintenance and improvement of the high standard of service rendered. The parties hereto shall co-operate to the fullest extent in the selection of the most suitable equipment, in the co-ordination of their investment programs for additional generating capacity, transmission and tie-in facilities, etc., and shall so conduct their operations that economic interchange of power and energy during the different hours of the day, the seasons of the year, and over more prolonged periods, shall be encouraged in every possible way. For this pur-

pose Safe Harbor Company will not enter into other agreements with either receiving company without the approval of the other, and will take into consideration either receiving company's suggestions for the best co-ordinated utilization of all facilities that may be mutually beneficial.

ARTICLE V

PAYMENTS FOR POWER AND ENERGY

During the period prior to July 1, 1932, or such other date as may hereafter be agreed upon as the beginning of regular commercial service from the Safe Harbor plant, energy received by Baltimore Company, as metered at Baltimore Company's terminal station at or near Westport, and energy received by Holtwood Company, as metered on the low tension side of the 66,000 volt step-up transformers at Safe Harbor, shall be paid for by the respective receiving companies at reasonable rates to be agreed upon. It is the intention that, subject to the approval of regulatory authorities in the exercise of their respective powers and jurisdiction, this period will be considered to be part of the construction period, during which all of Safe Harbor Company's expenses will be charged to construction and its revenue will be credited to construction.

[25367] (page 7)

Thereafter the total combined annual payments for power and energy to be made by Baltimore Company and Holtwood Company to Safe Harbor Company, as nearly as possible in equal monthly installments, shall be as follows:

From and including the date on which the Safe Harbor plant goes into commercial service until December 31, 1932, at the rate of \$1,400,000 per year.

For the calendar year 1933.....\$1,450,000

For the calendar year 1934.....1,600,000

For the calendar year 1935.....1,800,000

For the calendar year 1936.....2,000,000

For the calendar year 1937.....2,500,000

Provided, however, that in any event the annual payments for said years shall be not less than the respective amounts required by Safe Harbor Company to pay its bond interest and sinking fund charges, over and above operating expenses, including allowance for depreciation.

Beginning January 1, 1938, the annual payment shall be such amount as is required to yield to Safe Harbor Company a net income of seven per cent., after all reasonable operating expenses, including maintenance and general expenses, insurance, taxes and reasonable allowance for depreciation, on its accumulated actual investment in the initial development (i.e., the actual legitimate investment, as defined in the Federal Water Power Act and in the Rules and Regulations of the Federal Power Commission), averaged for the year in question, without regard to the amount of power actually furnished.

The above payments for energy and/or power shall be subject to increase and/or decrease from time to time by order of regulatory authorities within their respective powers and jurisdiction, including the power to fix reasonable rates, [25368] (page 8) under the constitution and laws of Pennsylvania, Maryland and the United States; and may also be increased by agreement of the parties subject to the regulatory powers of such authorities.

The combined annual payment shall be pro-rated between Baltimore Company and Holtwood Company in the ratio of their contract proportions; i.e., each shall pay to Safe Harbor Company its contract proportion of the total payment specified herein.

In the event that Safe Harbor Company provides additional facilities at the request of either Baltimore Company or Holtwood Company as provided in Article III, Paragraph (a), the receiving company for whose benefit the facilities are provided shall make to Safe Harbor Company additional payments such that Safe Harbor Company's rate of net income on its actual accumulated in-

vestment shall be the same as it would have been without the additions, under the terms hereinbefore set forth.

ARTICLE VI

GUARANTY OF BONDS

To finance the construction of its initial development Safe Harbor Company will issue its 4½ per cent. First Mortgage Bonds in the principal amount of \$21,000,000 or such other amount as may be agreed upon between Safe Harbor Company, Baltimore Company and Holtwood Company. The terms and provisions of such bonds and of the mortgage to secure them shall be approved by Baltimore Company and Holtwood Company. Payment of the principal of and interest on said bonds shall be unconditionally guaranteed to the holders thereof and/or to the Trustee under the mortgage securing the bonds by Baltimore Company and/or Holtwood [25369]. (page 9) Company jointly and/or severally by endorsement on the bonds and/or otherwise. Whether such guaranty to the holders of bonds and/or the Trustee be a joint, several or joint and several guaranty or guaranties of Baltimore Company and Holtwood Company or either, in any event Baltimore Company and Holtwood Company, as between themselves, shall ultimately assume and bear respectively two-thirds and one-third of any and all liability on or in respect of such guaranty. Anything herein to the contrary notwithstanding, Holtwood Company assumes and shall assume no liability either to bondholders or Trustee or to Baltimore Company on or in respect of any such guaranty before September 1, 1931, or for or in respect of any default of Safe Harbor Company occurring before September 1, 1931, but Holtwood Company hereby covenants and agrees (as a condition precedent to the continuance after September 1, 1931 of any of Holtwood Company's rights under this agreement) that on September 1, 1931 it will guarantee and/or assume liability on and in respect of any guaranty to the

full extent hereinbefore provided, and will execute such further assurances by way of guaranty, assumption of guaranty, counter-indemnity and/or otherwise as may reasonably be required.

ARTICLE VII

TRANSMISSION LINES AND CHARGES

Baltimore Company desires its contract proportion of electrical energy to be delivered at the points of delivery specified in Article XII, and agrees to pay the cost of transmission from Safe Harbor to said delivery points in addition to making the payments named in Article V. As set forth in the recitals herein, Holtwood Company, through subsidiaries, already has a transmission system and organization and is [25370] (page 10) best qualified to convey, or cause to be conveyed, energy from Safe Harbor to Baltimore economically and in co-ordination with the supply from Holtwood to Baltimore. Therefore Baltimore Company and Safe Harbor Company desire Holtwood Company, and Holtwood Company undertakes to transmit or cause to be transmitted to Baltimore the energy sold by Safe Harbor Company to Baltimore Company, and Baltimore Company agrees to pay directly to Holtwood Company certain charges for such transmission service, as hereinafter provided. Should Holtwood Company at any time fail to transmit or cause to be transmitted any of the energy sold by Safe Harbor Company to Baltimore Company, Holtwood Company forthwith will purchase all such energy from Safe Harbor Company at Safe Harbor and will pay therefor at the rates payable by Baltimore Company therefor under Article V hereof.

Holtwood Company agrees to construct, operate and maintain and/or cause to be constructed, operated and maintained (in its own rights and/or through subsidiaries) two 220,000 volt single circuit steel tower transmission lines on separate rights-of-way from Safe Harbor to Baltimore, and a 220,000 volt switching station at Safe Harbor when it

becomes necessary. The first transmission line, to be known as the Westport line, will pass through York County in Pennsylvania, and Baltimore, Howard and Anne Arundel Counties in Maryland, to the step-down substation to be built by Baltimore Company near its Westport power house (the term "substation" as here used including the high tension structures and leads from the transformers to the Baltimore City line). The second line, to be known as the Riverside line, will pass through York County in Pennsylvania, and Harford and Baltimore Counties in Maryland, to the step-down substation to be built by Baltimore Company adjacent [25371] (page 11) to the site of its proposed power house at Turner's Station in Baltimore County. The Westport line shall be completed and ready for operation when the first main generating unit at Safe Harbor is ready for service. The Riverside line shall be constructed later, to be ready for service at a date to be agreed upon by the parties hereto.

From and after the respective dates on which each line goes into service Baltimore Company shall pay to Holtwood Company annually for each calendar year (a) the sum of twelve monthly amounts, computed at the end of each calendar month, equal to 10.25% per annum of the cost, on the books of Holtwood Company and its subsidiaries, of said transmission lines and switching station and net additions thereto plus (b) an amount equal to all reasonable operating expenses, except depreciation (or provision therefor through renewals and replacements), including maintenance and general expenses, insurance and taxes, in the operation of said transmission lines and switching station. The amounts of said annual payments by Baltimore Company to Holtwood Company shall be estimated by Baltimore Company and Holtwood Company in advance and shall be paid as nearly as possible in equal monthly installments, the payment for any month to be made not later than the 15th day of the next succeeding month with subsequent adjustment to the next yearly payment. Said

payments shall be subject to increase and/or decrease from time to time by order of regulatory authorities within their respective powers and jurisdiction, including the power to fix reasonable rates, under the constitution and laws of Pennsylvania, Maryland and the United States; and may also be increased by agreement of Baltimore Company and Holtwood Company subject to the regulatory powers of such authorities.

[25372] (page 12)

The Baltimore Company shall pay the above costs and charges on the 220,000 volt switching station at Safe Harbor so long as it is used exclusively in connection with transmitting energy to and from Baltimore, and if the said station is used for a tie-in with other power systems, an equitable apportionment of the aforesaid costs and charges shall be made between the Baltimore Company, the Holtwood Company and/or the Safe Harbor Company.

ARTICLE VIII

CAUSES BEYOND CONTROL

If at any time during the continuance of this agreement Safe Harbor Company shall be prevented from supplying and Baltimore Company and Holtwood Company from receiving all or any part of the power and energy herein specified, by reason of war, rebellion, civil disturbance, strikes, serious epidemics, major catastrophe, or any other cause of a like nature beyond the control of either party, the obligation of Safe Harbor Company to supply and the obligation of Baltimore Company and Holtwood Company to take power and energy herein specified shall cease until such time as the party so incapacitated shall, by the exercise of reasonable diligence, be able to resume such supply or use, and a reasonable abatement in the payments by Baltimore Company and Holtwood Company shall be made; provided, however, that in no event shall such abatement reduce such payments to less than the

respective amounts required by Safe Harbor Company to pay its bond interest and sinking fund charges, over and above operating expenses, including allowance for depreciation.

[25373] (page 13)

ARTICLE IX

TERMS OF PAYMENT

All bills for power and energy as provided in Article V shall be rendered by Safe Harbor Company to Baltimore Company and Holtwood Company, and for transmission services as provided in Article VII shall be rendered by Holtwood Company to Baltimore Company, for each calendar month not later than the fifth day of the next succeeding month, and shall be paid on or before the fifteenth day of said month.

ARTICLE X

AUDIT OF COSTS

For the purpose of determining Safe Harbor Company's investment and operating costs and income as required by the provisions of Article V Baltimore Company and Holtwood Company shall each have complete access to and may audit the accounts of Safe Harbor Company at any time.

ARTICLE XI

CHARACTERISTICS OF SUPPLY

Unless otherwise agreed by the parties hereto, the electrical energy supplied under this agreement shall be in the form of three phase alternating current at a normal frequency of 60 cycles per second, and at approximately 220,000 volts as to supply to Baltimore Company and approximately 66,000 volts as to supply to Holtwood Company.

Safe Harbor Company shall at all times keep its equipment in first-class condition in accordance with good engi-

neering practice and shall arrange whenever possible to have all maintenance work done in the low flow periods. If any [25374] (page 14) equipment by necessity is out of service during high flow, Safe Harbor Company shall use every reasonable effort to return equipment to service as quickly as possible, consistent with high standards of operating and maintenance practice.

ARTICLE XII

POINTS OF DELIVERY

Power and energy contracted for hereunder shall be delivered to Baltimore Company at the high tension (220,000 volt) terminals of its step-down substations at or near Westport, Baltimore City, and Turner's Station, Baltimore County, and/or elsewhere in the State of Maryland as the parties hereto may agree, and to Holtwood Company on the high tension (66,000 volt) side of the step-up transformers installed by Safe Harbor Company for supply to Holtwood Company, and/or elsewhere as the parties hereto may agree.

ARTICLE XIII

METERING

For the purpose of allotting capacity and energy to the receiving companies, integrating watthour meters equipped with ratchets shall be installed by Safe Harbor Company on the low tension side of the step-up transformers at Safe Harbor. For checking purposes and for use in case of backfeed, Baltimore Company shall install two sets of ratchet integrating watthour meters, one for registering incoming energy and one for registering backfeed, on the low tension side of the step-down transformers at Baltimore.

Procedure in respect to maintenance, testing, calibration and correction, registration records and precision tolerance of metering equipment shall be in accordance with good practice, [25375] (page 15) as may be agreed upon by the parties hereto from time to time.

ARTICLE XIV

OPERATING COMMITTEE

Within thirty days after the execution of this agreement Baltimore Company and Holtwood Company shall each appoint one representative to act as its agent for investigation, consultation and advice in all operating, engineering and accounting matters pertaining to this agreement. Each appointment shall be evidenced by written notice to the other party signed by an executive officer. Either party at any time may change its representative or withhold or withdraw from its representative the authority to act for it in any matters specified in the notice, provided that it designate in such notice other representation in respect to such matters. These representatives, to be known as the Operating Committee, shall confer upon request of either; in case of their inability to agree, the question in dispute shall be submitted to the Presidents of the respective companies for their decision.

ARTICLE XV

ARBITRATION

In case of any dispute arising between any of the Companies which are parties to this agreement, the said dispute shall be referred to a Board of Arbitration upon service of written notice by any party to the other parties hereto.

The said Board of Arbitration shall consist of three members, the first member to be chosen by the party or parties complaining, the second member to be chosen by the opposing party or parties, and the third member to be chosen by the first and second members. Should the second [25376] (page 16) or third member remain unselected at the expiration of thirty days after notice of arbitration is given, then upon the request of the complaining party, and upon notice thereof having been given to the other parties hereto, the second or third member, or both, of the Arbitra-

tion Board shall be selected by the then Chief Judge of the Supreme Bench of Baltimore City or, in the event of the said Judge's disinclination or failure to act within thirty days, by the then Chairman of the Public Service Commission of Maryland.

The Board of Arbitrators shall proceed at its earliest convenience to hear and determine the questions at issue after having given each party hereto not less than five days notice of the time and place of the first meeting.

Each party shall be permitted to be represented by counsel before the Board of Arbitrators, and to present in full, by competent witnesses, all facts, figures and statements which might aid the Board of Arbitrators to give a final and fair judgment as to the questions in dispute.

The determination of the Board of Arbitrators, or a majority thereof, shall be made within sixty days after the submission to said Board, unless prevented by circumstances unforeseen, and the decision of the Board of Arbitrators, or a majority thereof, shall be final and conclusive upon the parties hereto and said parties shall abide by such decision.

All expenses in connection with such arbitration, including a reasonable compensation for the arbitrators, shall be divided equally between the Companies who are parties to the arbitration, with the exception of expenses and counsel, witnesses and employes of the parties hereto, which expenses shall be borne by the parties incurring them.

All notices herein provided for may be given by serving the same in writing, or by sending the same by registered [25377] (page-17) mail addressed to the parties interested at their respective principal places of business.

IN TESTIMONY WHEREOF each of the parties hereto has caused these presents to be signed in its corporate name by its President or a Vice-President and its corporate seal to be hereunto affixed, duly attested by its Secretary or an

Assistant Secretary as of the day and year first above written.

SAFE HARBOR WATER POWER CORPORATION

(Signed) J. A. WALLS,
Vice-President.

Attest:

[SEAL]

(Signed) F. J. ALLEN,
Secretary.

CONSOLIDATED GAS ELECTRIC LIGHT AND POWER
COMPANY OF BALTIMORE

(Signed) CHARLES M. COHN,
Vice-President.

Attest:

[SEAL]

(Signed) WM. SCHMIDT, JR.,
Secretary.

PENNSYLVANIA WATER AND POWER COMPANY

(Signed) J. A. WALLS,
Vice-President.

Attest:

[SEAL]

(Signed) F. J. ALLEN,
Secretary.

ITEM F.

[25378] (page 1)

AGREEMENT BETWEEN SAFE HARBOR COMPANY, BALTIMORE COMPANY AND HOLTWOOD COMPANY, CONCERNING TRANSMISSION LINE TO WASHINGTON

THIS SUPPLEMENTAL AGREEMENT made as of the first day of August, 1932, between SAFE HARBOR WATER POWER CORPORATION, a Pennsylvania Corporation, hereinafter called "Safe Harbor Company," CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE, a Maryland Corporation, hereinafter called "Baltimore Company," and PENNSYLVANIA WATER & POWER COMPANY, a Pennsylvania Corporation, hereinafter called "Holtwood Company."

WHEREAS in pursuance of Article VII of an agreement entered into on the first day of June, 1931, by the parties hereto, Holtwood Company, through its subsidiaries, has constructed, and operates and maintains a transmission line from Safe Harbor to Baltimore, known as the Westport line, and transmits to Baltimore Company the energy sold by Safe Harbor Company to Baltimore Company, and Baltimore Company pays directly to Holtwood Company certain charges for such transmission service; and

WHEREAS it was provided in Article XII of said agreement of June 1, 1931, that the electrical power and energy contracted for thereunder by Baltimore Company was to be delivered to Baltimore Company at its substations at or near Westport, Baltimore City, and Turner's station, Baltimore County, and/or elsewhere in the State of Maryland as the parties hereto might agree; and

WHEREAS Baltimore Company has entered into an agreement on the sixteenth day of June, 1932, with the Potomac Electric Power Company of Washington, hereinafter called "Washington Company," whereby amongst other things, Baltimore Company undertook, directly or in-

directly, to construct, operate and maintain a high tension interconnection between its electric system and the electric system of Washington Company; and

WHEREAS to facilitate such interconnection, Baltimore Company has requested Holtwood Company, and Holtwood Company has agreed, to construct, operate and maintain two (2) parallel and adjacent transmission lines to extend from a point near Ellicott City, Howard County, Maryland, on the said Westport line, to a point near Takoma Park, Prince Georges County, Maryland, on the system of Washington Company, together with the necessary switching facilities near Ellicott City to tap the said Westport line.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH: That for and in consideration of the mutual covenants and agreements hereinafter contained and the sum of Five Dollars (\$5.00) paid by each of the parties hereto to the other, receipt whereof is hereby acknowledged, and of other valuable considerations, Safe Harbor Company, Baltimore Company and Holtwood Company do covenant and agree as follows:

[25379] (page 2)

First: This agreement is supplementary to the Agreement of June 1, 1931 above referred to, which agreement with all its terms, provisions, and conditions is hereby reaffirmed between Baltimore Company, Safe Harbor Company and Holtwood Company, except as hereinafter provided.

Second: Holtwood Company agrees to construct, operate and maintain and/or cause to be constructed, operated and maintained (in its own rights and/or through a subsidiary) a switching station near Ellicott City on the said Westport line, and two (2) parallel and adjacent transmission lines of substantially the same design and construction as the said existing Westport line, to extend from a point

near Ellicott City in Howard County, Maryland, on the said Westport transmission line east of the Ilchester Road and north of the Montgomery Road, to a point in Prince Georges County near Takoma Park, Maryland, adjacent to the northeasterly boundary line of the District of Columbia, one of the said lines to be completed and ready for operation by October 1, 1933, and the other line to be constructed within two (2) years after such date, or as may be agreed upon by the parties hereto.

Third: Holtwood Company agrees to transmit over said lines such electrical power and energy as may be delivered to it at the terminals of said transmission lines for the purpose.

Fourth: Baltimore Company hereby agrees to pay Holtwood Company for the said transmission service in accordance with the provisions of Article III of the Supplemental Agreement of June 1, 1931, between Baltimore Company and Holtwood Company.

Fifth: The parties hereto agree that the Takoma Park substation of Washington Company shall be an additional point of delivery under Article XII of the said agreement of June 1, 1931, between the parties hereto, for the power and energy contracted for thereunder by Baltimore Company.

Sixth: Holtwood Company will at all times perform the obligations undertaken by Baltimore Company under its agreement of June 16, 1932, with Washington Company, hereinbefore referred to, insofar as Baltimore Company binds itself to do acts and things which are performable through the instrumentality of Holtwood Company.

Seventh: This agreement shall remain in force until midnight of April 22, 1980.

[25380] (page 3)

IN WITNESS WHEREOF the parties hereto have executed
this agreement the day and year first above written.

SAFE HARBOR ~~WATER~~ POWER CORPORATION

By (Signed) J. A. Walls
Vice-President

Attest:

(Signed) J. E. O'Connor (SEAL)
Assistant Secretary

CONSOLIDATED GAS ELECTRIC LIGHT AND
POWER COMPANY OF BALTIMORE

By (Signed) Herbert A. Wagner
President

Attest:

(Signed) Wm. Schmidt, Jr. (SEAL)
Secretary

PENNSYLVANIA WATER & POWER COMPANY

By (Signed) J. A. Walls
Vice-President

Attest:

(Signed) J. E. O'Connor (SEAL)
Assistant Secretary

ITEM G.

[25381]

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT made as of the 22nd day of November, 1939, between SAFE HARBOR WATER POWER CORPORATION, a Pennsylvania corporation, hereinafter called "Safe Harbor Company," CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE, a Maryland corporation, hereinafter called "Baltimore Company," and PENNSYLVANIA WATER & POWER COMPANY, a Pennsylvania corporation, hereinafter called "Holtwood Company."

WHEREAS, by agreement dated as of June 1st, 1931, hereinafter called the "Original Agreement," the parties hereto provided for the sale to Baltimore Company and Holtwood Company of the electrical power and energy generated by the Safe Harbor Company at its hydro-electric development at Safe Harbor, Pennsylvania, and

WHEREAS, the Baltimore Company and Holtwood Company, pursuant to Article III of the Original Agreement, have requested Safe Harbor Company to install additional machinery and equipment in order to provide for increased power and energy requirements of the Pennsylvania Railroad Company:

Now, THEREFORE, the parties hereto do agree as follows:

Safe Harbor Company shall, subject to any necessary approval of regulatory authorities in the exercise of their respective powers and jurisdiction, proceed with and complete as soon as practicable, the installation of a 42,500 horsepower water wheel turbine and a 25 cycle, single phase generator in the No. 1 position in its Safe Harbor power house, together with cables from the power house to the

transformer substation of the Holtwood Company near the mouth of Conestoga Creek and all necessary protective, control and other appurtenant equipment, which turbine generator and appurtenant equipment are herein collectively called the "No. 1 Unit."

[25382]

The Baltimore Company shall be entitled to two-thirds and the Holtwood Company to one-third of all the capacity and energy available from the No. 1 Unit. They shall make payments therefor, pursuant to Article V of the Original Agreement, in the ratio of their said entitlements.

IN TESTIMONY WHEREOF each of the parties hereto has caused these presents to be signed in its corporate name by its President or a Vice-President and its corporate seal to be hereunto affixed, duly attested by its Secretary or an Assistant Secretary as of the day and year first above written.

SAFE HARBOR WATER POWER CORPORATION

By (Signed) J. A. Walls
President
(Seal)

Attest:

(Signed) J. E. O'Connor
Assistant Secretary

CONSOLIDATED GAS ELECTRIC LIGHT AND
POWER COMPANY OF BALTIMORE

By (Signed) Herbert A. Wagner
President
(Seal)

Attest:

(Signed) Herman L. Gruehn
Secretary

4576

Item G

PENNSYLVANIA WATER & POWER COMPANY

By (Signed) F. A. Allner
Vice-President
(Seal)

Attest:

(Signed) J. E. O'Connor
Assistant Secretary.

ITEM H.

[25387] (page 1)

THIS AGREEMENT, Made as of the 31st day of December, 1927, between CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE, a corporation of the State of Maryland, hereinafter called "Electric," and PENNSYLVANIA WATER AND POWER COMPANY, a corporation of the State of Pennsylvania, hereinafter called "Power."

WHEREAS, Electric is engaged in the sale of electricity for light, heat and power purposes in the City of Baltimore and territory adjacent thereto, and Power is engaged in the generation and sale of electrical energy and for this purpose owns and operates a hydro-electric plant and a steam-electric generating station at Holtwood, Lancaster County, Pennsylvania, and an interconnected transmission system; and

WHEREAS, Power has for a number of years supplied electrical energy to Electric, and it is the desire of the two parties to enter into a new contract setting forth the terms and conditions under which such electrical energy is hereafter to be supplied;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH: That for and in consideration of the mutual covenants and agreements hereinafter expressed, and the sum of Five Dollars (\$5.00) paid by each of the parties hereto to the other, receipt whereof is hereby acknowledged, and of other valuable considerations, Electric and Power do agree as follows:

ARTICLE 1.

DURATION OF AGREEMENT.

This agreement, effective as of January 1, 1927, supersedes all previous short-term arrangements for power and energy between Electric and Power and shall continue in force until midnight of December 31, 1970.

[25388] (page 2)

ARTICLE 2.

BASIC CONSIDERATIONS.

The rates hereinafter referred to have been obtained as the result of careful determinations and exhaustive studies of the practical possibilities of the best coordination of the power resources and other facilities of Power and Electric. These studies have disclosed ways and means of rendering Power's supply of greater service value to Electric, by more complete coordination of the various factors controlling amount of peak service, than the amount and character of services heretofore supplied by Power to Electric. The various factors affecting the different elements of value have been investigated in detail by the engineering and operating experts of the two parties, and are set forth in the joint reports placed in the record files of Electric and Power and in the exhibits attached to this agreement and forming a part thereof. The following are the principal factors:

Without continuation of hydro supply Electric would have built, prior to the expiration of the last agreement between the said parties, and would now be operating a steam plant equal in capacity to the minimum predetermined one hour integrated hydro supply of Power (48,778 K. W.), plus allowance for reserves and swings; and this steam plant would have been equipped with substantially the same type of apparatus that was put in service by Electric during 1924, and its investment cost per kilowatt would not have been less than the estimated average cost (\$103.62) of the four stages of Electric's Gould Street Station which was put into operation in 1927. The annual fixed charges on the investment in such a steam plant have been figured at the rate of 12.75%, equaling \$13.21 per k. w.

The average cost of coal to Electric during the five and ten year periods ending with 1926 was in excess of \$5.00 per [25389] (page 3) net ton unloaded at the generating sta-

tions, and it is expected that for a long period of years Electric's cost of coal for steam plant operation, if no hydro were available, would average not less than \$5.00 per net ton. The value of Power's hydro as determined in the engineers' studies is based on a cost of coal of \$5.00 per net ton, but the average rate per K. W. H. to be paid by Electric as hereinafter specified is based on a cost of coal 7% lower than \$5.00 per net ton.

Certain other features of value in connection with Power's hydro supply have been investigated by the engineering and operating experts of the two parties and a determination of the average savings per year to Electric resulting therefrom has been agreed to in accordance with their joint reports, but they are not included as a consideration of the payments for power and energy hereinafter specified.

At any time during the term of this agreement upon demand of either party hereto (as more specifically provided in Article 7-B and in the exhibits attached to and forming part of this agreement), readjustment shall be made, substantially in accordance with the initial method of determining the several factors entering into the charges herein provided, of the fixed charge for capacity and proportion of charges for other entitlements of Electric, but the basic rates averaging 4.7365 mills per K. W. H. on a supply of 400 Million K. W. H. per year (Article 7-A), and the basic annual fixed charges of \$13.21 per K. W. shall remain unchanged during the term of this agreement. The initially determined amount of 48,778 K. W. one hour integrated peak service to be paid for by Electric shall remain unchanged for the years 1928 and 1929.

It is further the intent of this long term agreement to broaden the scope of the cooperative utilization of power resources as well as of other facilities now owned or controlled or acquired in the future by either party to the end that the joint use of property and equipment by the two parties shall give [25390] (page 4) the greatest practical

benefit to the general public supplied by the two systems and that all unnecessary duplication of investment and operating cost shall be avoided except such as would contribute toward the maintenance and improvement of the high standard of the service rendered. Toward this end the investment policies of the two companies for providing increased steam generating facilities, or for developing hydro supply from new sources, shall be coordinated well in advance of the time before either party is committed to a definite plan of investment or disposal of power, and no major investment steps affecting power generating and transmission facilities shall be undertaken by either party without keeping the other fully informed of the work contemplated and granting it under otherwise equal conditions the position of preferred customer or seller, as the case may be.

The initially determined one hour integrated peak supply (48,778 K. W.) is not to be regarded as either a fixed maximum or minimum for which Electric need pay, and it is conceded that from the very nature of the conditions determining the availability and usability of this supply, variations from one year to another in the amount of peak service are to be expected and are allowable, subject to the following limitations:

1. During the period up to and including the calendar year immediately preceding the first year in which additional capacity is needed by Electric, as indicated by joint load estimates made by the two parties, the amount of one hour integrated peak service for which Electric shall be required to pay shall not average more than 48,778 K. W., unless expressly agreed to by the parties hereto.
2. Thereafter the increase in amount of one hour integrated peak supply paid for by Electric in any year over the preceding year shall not be greater than the actual increase in Electric's maximum one hour integrated total load.

[25391] (page 5)

3. Power agrees that the one hour integrated peak supply shall not be lower than a minimum of 25,000 K. W. unless expressly agreed to by the parties hereto or unless such lower peak supply is caused by load conditions, either of Electric or of Power's other customers, beyond the control of Power and not anticipated in forecasts of loads made by the two parties.
4. If at any time, as a result of a joint forecast made by Electric and Power, it is agreed that Electric should increase its own generating capacity or incur a tie-in investment, by reason either of expected increase in load or decrease in the amount of Power's one hour integrated peak service, or both, then during the period from January 1st of the year in which such capacity addition goes into service to January 1st of the first year in which Electric's effective load carrying capacity, plus the "maximum average peak service" mentioned hereinafter, is not sufficient to meet Electric's load requirements, the amount of one hour integrated peak service for which Electric shall be required to pay shall not average more than the amount of peak service redetermined in December immediately preceding the year in which Electric's capacity addition goes into service (referred to in this paragraph as "maximum average peak service"), and in any year during said period it shall not exceed said "maximum average peak service" by more than 5000 K. W. In the redetermination of peak service used in establishing the "maximum average peak service" there shall be excluded the effect of major changes in Power's load obligations to customers other than Electric which were not anticipated in the forecast which resulted in Electric's capacity addition. For example of procedure, see Exhibit "A".

[25392] (page 6)

ARTICLE 3.

TRANSITION PERIOD.

Inasmuch as certain features of equipment and of improved operating methods for the best coordination of hydro and steam resources have not been fully available to Electric during the entire year 1927, it has been agreed that the year 1927 shall be regarded as a transition period during which the rates and charges specified in this agreement will not be in effect. The rates and charges for the year 1927 are fixed at an energy rate of 6.0 mills per K. W. H. and a demand charge of \$310,000 per year—including substation rental.

ARTICLE 4.

ELECTRIC'S POWER AND ENERGY ENTITLEMENTS.

Electric is entitled to all power and daily energy available from the Holtwood capacity of Power, as limited by the average daily river flow, in excess of that which may at the time be required by Power to supply its other customers. In addition Electric, at times of capacity shortage on its system, is entitled to draw from Power's pondage a maximum amount of storage energy (delivered basis) of 250,000 K. W. H. in any one day of the week, except Saturday and Sunday, or of approximately 600,000 K. W. H. (i. e., the amount of energy in storage above forebay elevation 161.5, which is $3\frac{1}{2}$ feet below the crest of the concrete dam) in any five consecutive days, Saturdays and Sundays excluded, whenever same is available, and at a maximum rate of K. W. power draft that can be supplied from Power's generating capacity available for Electric, including therein the predetermined one hour integrated peak service as per Exhibit "A," but Power shall not be obligated to provide transformer and transmission investment in excess of that necessary to deliver a maximum one hour integrated peak

[25393] (page 7) service of 80,000 K. W., nor shall Electric be obligated to provide cable investment in excess of that necessary to avoid loss of hydro energy that would be deliverable to Electric except for insufficient cable capacity. In the case of emergencies, Power's various tie-in and diversion services may also be called upon by Electric to the extent that they are needed by Electric and can be made available by Power.

The principal purpose of the above provisions is to assure for Electric's use, when needed by it, a sufficient amount of weekly energy in kilowatt-hours to be supplied by Power to Electric so that this energy will yield to Electric a certain minimum amount of peak service in kilowatts, designated herein as the predetermined one hour integrated peak supply under minimum flow conditions. To meet the above condition, Electric shall take this amount of weekly energy when needed by it at such varying K. W. rates as may be necessary to hold down Electric's maximum one hour integrated steam peak to a value which is less than Electric's maximum one hour integrated peak during the same year by an amount in kilowatts which is equal to the said predetermined one hour integrated peak supply, and which has been initially established as 48,778 K. W., as per Exhibit "A."

The minimum amount of annual energy to which Electric is entitled from Power shall average over the term of this agreement approximately 400 million K. W. H., the amount supplied in individual years varying with river flow, load conditions on Electric's system and of Power's other customers, availability of equipment, etc.; the minimum annual entitlement taken as an average over a ten year period shall not be less than 350 million K. W. H., and the minimum in any one year not less than 250 million K. W. H., except in the event that Power may be prevented from supplying or Electric from receiving the minimum amount of energy by abnormal conditions or any cause beyond the control of either party.

[25394] (page 8)

ARTICLE 5.

OTHER ENTITLEMENTS OF ELECTRIC.

Electric is entitled to the use of certain transmission and distribution facilities now owned by, or to be provided for in the future by Power, if requested by Electric, as specifically set forth in Exhibits "B", "C" and "D" attached to this Agreement and forming part thereof. As of January 1st, 1928, these facilities comprise:—

(a) Power's terminal and distribution station at Highlandtown, for certain portions of which Electric shall pay Power, as per Exhibit "B", annual fixed charges at the rate of 12.75% on the actual cost to Power, together with an annual charge equivalent to one-half of the average annual cost of substation operation and maintenance of the five year period ending with 1926, but exclusive of the cost of energy losses between Highlandtown and Pratt Street.

(b) The 60 cycle transmission line from Philadelphia Road Substation to Gunpowder Falls, built by Power for the use of Electric in 1924, for which Electric shall pay Power, as per Exhibit "C", annual fixed charges at the rate of 12.75% on the cost of this line to Power, but exclusive of the cost of right-of-way and other facilities owned by Power previous to the erection of this line, together with an annual charge equivalent to 10/90ths of the average annual cost of operation and maintenance of Power's transmission lines from Holtwood to Baltimore during the five year period ending with 1926.

(c) 13,200 and 33,000 volt switching equipment, two transformer banks totalling 8,000 K. V. A. capacity, a 33,000 volt river crossing, certain right-of-way facilities, etc., located at or near the Holtwood

Plant, which may be used in part, or as a whole, by Electric free of charge for delivering power at or near Havre de Grace, as per Exhibit "D".

[25395] (page 9)

ARTICLE 6.

STEAM ENERGY PURCHASED.

Upon request of Power, Electric will supply to Power steam generated energy in excess of Electric's own requirements up to the limit of its available generating capacity, provided, however, that Electric is not obligated to start up a station which would not otherwise be operated. For all such energy Power will be billed for the daily net amount of such backfeed at actual costs plus ten per cent. (10%). The costs to be used are those reported on Electric's monthly production statement covering the month during which steam energy was furnished to Power.

ARTICLE 7.

RATES FOR POWER AND ENERGY.

Commencing January 1, 1928, there shall be a graded energy charge and an adjustable annual fixed charge for capacity as follows:—

A—ENERGY RATE:

Power shall bill Electric and Electric shall pay Power for the first 60 million K. W. H. per year at the rate of 6.0 mills per K. W. H.; for the next 180 million K. W. H. per year at the rate of 4.97 mills per K. W. H. and for all energy in excess of 240 million K. W. H. per year at the rate of 4.0 mills per K. W. H. The graded energy rates average 4.7365 mills per K. W. H. on a supply of 400 million K. W. H. per year. These steps in rates may be prorated as agreed upon for convenience of monthly billing.

B—FIXED CHARGE FOR CAPACITY:

Electric shall pay Power in equal monthly instalments an adjustable annual fixed charge for capacity of \$820,486.31, of which amount \$644,357.38 represents payment of \$13.21 per K. W. on 48,778 K. W. (see [25396] (page 10) Article 2), and the balance of \$176,128.93 represents payment by Electric for swing and reserve capacity service in excess of the predetermined one hour integrated peak supply under minimum flow conditions. The latter payment and the exact K. W. amount of one hour integrated peak service may be amended from time to time upon request in writing by either party by redetermining same in accordance with Article 2 and Exhibit "A", in substantially the same manner as the above payment and the amount of 48,778 K. W. peak service were originally determined by the engineers of the two parties, provided, however, that proper consideration is given not only to actual and predictable changes in the amount and character of the loads of Electric and of Power's other customers, in the generating capacities installed and their availability, in the methods of operation, etc., but also to any other factors that would be effective in determining the peak supply to Electric.

ARTICLE 8.**PAYMENTS.**

All bills for power and energy, as per Article 7, and for rental, fixed charges, etc., as per Exhibits "B", "C" and "D", for each calendar month, shall be rendered by Power not later than the fifth day of the next succeeding month, and shall be paid by Electric on or before the fifteenth day of said month.

ARTICLE 9.

DIVISION OF LOAD BETWEEN HYDRO AND STEAM PLANTS.

During low flow Power's hydro plant shall operate on the peak portion of Electric's load and shall take care of fluctuations of load, and of reserve capacity within the limits of available capacity, but maximum pond level shall be restored under normal conditions every morning except Sundays and holidays.

[25397] (page 11)

During high flow (i. e., when water is spilled over the Holtwood dam for more than two consecutive hours), Power's hydro plant shall operate for maximum energy output, and shall carry the base portion of Electric's load, except that during periods of storms, ice runs, breakdowns or other emergencies beyond the control of either party, Electric shall be permitted to generate such reasonable amount of steam output as it may deem to be required by good practice and safety in the operation of its steam equipment and by due regard to service, but at all other times Electric shall not generate by steam to an extent that will cause hydro loss (i. e., a loss of hydro-electric energy which Power is ready and able to deliver to Electric and which could be absorbed by Electric's load), excepting such steam generation as is from time to time agreed by the parties hereto to be necessary for safe operation of Electric's steam plants from the point of view of minimum practical load, maximum rate of load change, and capacity margin.

Electric shall pay Power for hydro loss referred to in Article 4, caused by Electric's failure to provide adequate facilities for receiving hydro energy available from Power (with the exception of such occasional losses under extraordinary circumstances as may be reasonable), and also for hydro loss caused by Electric's unnecessary steam generation, i. e., steam generation in excess of the above mentioned

allowances, at the rate of four mills per kilowatt hour of such loss.

For the purpose of the above definition of unnecessary steam it is agreed that, under present conditions, at any time when Power's available hydro units are not fully loaded, Electric shall not generate by steam more than 5,000 K. W. H. per hour, except when a greater amount of generation is required to prevent the rate of load change at the steam plants from exceeding a rate agreed upon as a maximum.

[25398] (page 12)

The power factor shall, as far as reasonably convenient, be so adjusted as to permit of operation under minimum overall loss due to wattless current.

ARTICLE 10.

POINTS OF DELIVERY, METERING, CHARACTERISTICS OF ENERGY SUPPLY, ETC.

Points of delivery and metering for all energy supplied under this agreement shall be at the terminals of the outgoing low tension feeders at Power's Highlandtown Substation except for the energy delivered over Power's cables to Pratt Street Station, which shall be metered at Pratt Street.

The electrical energy supplied under this agreement shall be in the form of three-phase alternating current at a normal frequency of 25 cycles per second and at a normal potential of 13,200 volts.

Power and energy may be supplied at other points of delivery and at frequencies or voltages other than those specified herein and under conditions as may be agreed upon from time to time by the parties hereto, making due allowance for those factors that cannot be predicted in advance, such as extra cost to Power due to delivering, and savings to Electric due to receiving, supply at other points of de-

livery and at frequencies or voltages other than those specified above.

Meters shall be installed and calibrated and adjustment of bills in case of inaccuracy shall be made as set forth in Exhibit "E" attached hereto and made a part hereof.

IN WITNESS WHEREOF, The parties hereto have caused this agreement to be executed in duplicate by their duly authorized officers and to be sealed with their respective [25399] (page 13) corporate seals, attested by their respective Secretaries, as of the day and year first above written.

CONSOLIDATED GAS ELECTRIC LIGHT AND POWER
COMPANY OF BALTIMORE.

[SEAL]

(Signed) HERBERT A. WAGNER,
President.

Attest:

(Signed) WM. SCHMIDT, JR.,
Secretary.

PENNSYLVANIA WATER AND POWER COMPANY

[SEAL]

(Signed) CHAS. E. F. CLARKE,
President.

Attest:

(Signed) F. J. ALLEN,
Secretary.

[25400] (page 15)

EXHIBIT "A".

The purpose of this Exhibit is to give a summary of the more important subjects investigated by the respective experts of the two companies under the guidance of a Two-Man Board of Engineers, in response to specific questions placed before them for evaluation. All details in connection with these studies will be placed on the record files of the two companies and may be referred to from time to time in connection with the adjustments of certain annual charges.

The subjects were:

1. Cost of steam investment.
2. Load curves for monthly peak days.
3. Determination of minimum Holtwood peak service.
3. (a) ice to Baltimore, averaged for three months of & 4 minimum flow—September, October and November and minimum flow peak service during other months.
4. (a) Effect of high flood stages, frazil ice and trash & 5 runs on minimum peak service.
6. Seasonal relation of prearranged maintenance work on steam units and of Electric's load requirements.
7. Energy value of Holtwood supply.
8. Average Holtwood capacity available for Baltimore on peak hours.
9. Value of substation service.
10. Forecast of probable trend of Holtwood peak service to Baltimore in future years.
11. Hydro battery service.
12. Effect of hydro supply on coal storage.

13. Comparison of capacity availability of Holtwood supply and of steam equipment under average conditions.
14. Analysis of service disturbances, traceable to hydro or steam source of supply.
15. Annual rate of fixed charges on investment.

[25401] (page 16)

This Exhibit also establishes a proper guide for adjusting from time to time, as provided in Article 7 (B), the amount of one hour integrated peak service during the three minimum flow months—September, October and November, and the equivalent K. W. amount of additional capacity service representing the swing service and reserve capacity allowance which is not included in the determination of the one hour integrated peak service.

The value per K. W. shall remain unchanged at \$13.21 per K. W., which has been originally established as being equal to 12.75% of the estimated average cost per K. W. of the four stages of the Gould Street investment, as per Investigation No. 1.

As provided in Article 7 (B), either party at any time may request a redetermination of peak service. The amended peak service shall be the average of nine values (Cases a, b and c in September, October and November) obtained as in Investigations Nos. 3 and 3 (a). The actual computation cannot be made until December, as the actual loads for September, October and November of that year, as well as the load estimates for these months made the previous year, will form a part of the investigation. The resulting adjustment is to become effective on January first of the year following the request for adjustment and remain in effect until again changed due to request of either party, or until there is a major change in Power's load obligations to customers other than Electric, in which case there

shall be an equitable adjustment based on a new redetermination as of the preceding December.

In December of every year, whether or not a request for redetermination of peak service is expected to be made in the next year, Electric and Power shall jointly prepare estimates of hourly loads for the Baltimore peak days of the following September, October and November, so that these will be on file in case either party in the following year requests a redetermination of peak service.

Referring to the temporary limitation of Power's peak service, subsequent to a large step addition to Electric's load carrying capacity, as per the last paragraph of Article 2, the following example will illustrate the procedure that is to be followed:

Suppose that in 1935, for the purpose of deciding on the investment program, a joint forecast is made of loads, capacities and peak service in 1937. It is estimated that the one hour integrated peak service from power will be 42,000 K. W., and that this together with Electric's effective load carrying capacity will be inadequate in 1937, leaving a capacity [25402] (page 17) shortage of 10,000 K. W. It is also agreed that the best method of providing this additional capacity is the installation by Electric of a steam generating unit, which will yield a net increase in effective capacity in 1937 of more than 10,000 K. W. In December, 1936, a redetermination of one hour integrated peak service shall be made as outlined above. Suppose that the result is 40,000 K. W. Suppose also that the increase in effective load carrying capacity is sufficient to take care of the increase in Electric's load up to the end of 1940. Then from January 1, 1937, to December 31, 1940, the one hour integrated peak service paid for by Electric shall not average more than 40,000 K. W., and in any year in that period it shall not exceed 45,000 K. W.

The amount of \$176,128.93 corresponds to 13,333 K. W. at \$13.21, which is the equivalent amount of one hour integrated generating capacity agreed to as a compromise.

payment to represent swing service and reserve capacity value not included in the one hour integrated peak service during minimum flow months. The proportion of the K. W. amount that Electric's payment to Power is based upon, to the K. W. amount of capacity service rendered by Power in excess of the one hour integrated supply under minimum flow conditions, may be established by two separate and distinct methods:

- (a)—Swing service, i. e., the difference between maximum indicated load of electric and maximum one hour integrated load, has been determined initially as 13,500 K. W., as per Investigation No. 3. The ratio of reserve capacity of Electric's active steam generating stations to Electric's installed capacity less reserves has been determined as 26.9% to 73.1%, as per Investigation No. 3 (a). Applying the same ratio to Holtwood one hour integrated peak service of 48,778 K. W. would require an equivalent amount of 17,950 K. W. of steam reserve capacity. The sum of the two, i. e., 31,450 K. W., represents the combined swing and reserve capacity value of Holtwood supply. 13,333 K. W. is 42.4% of this amount.
- (b)—Under Investigation No. 8 the average one hour integrated capacity available on Electric's peak hour has been determined as 76,800 K. W., which is 28,022 K. W. in excess of the initially determined one hour integrated peak service during minimum flow months. 13,333 K. W. is 47.6% of this amount.

The payment of \$176,128.93, i. e., \$13.21 on 13,333 K. W., shall be regarded as a minimum amount which may be adjusted from time to time (but shall never be lower than 13,333 K. W.), upon request in writing by either party. In the event that the amount of either the combined swing [25403] (page 18) and reserve capacity value, as per (a),

or the difference between average one hour integrated peak supply and minimum flow peak service, as per (b), is greater than the initially determined amount, Electric shall thereafter pay Power for half the number of K. W. increase of either of these two amounts, whichever is greater, at the rate of \$13.21 per K. W. per annum beginning with the year succeeding the one in which the new determination was made.

[25404] (page 19)

EXHIBIT "B".

The purpose of this Exhibit is to give a proper guide for redetermining from time to time, upon request in writing by either party, the amount of substation rental, referred to in Article 5 (a) of the agreement, which has been determined by the engineers as \$100,757.00, under Investigation No. 9, but from which amount it has been agreed to deduct the sum of \$18,733.58, representing 12.75% on the Highlandtown-Pratt Street cable investment of \$146,930.00 and Power hereby agrees to sell and Electric agrees to purchase January 1st, 1929, for the nominal consideration of \$1.00, Power's underground cable system between Highlandtown Substation and Pratt Street Station. After said date Electric shall operate and maintain said cable system. The initially agreed to total annual rental for substation service shall therefore be \$82,023.42, payable in equal monthly instalments of \$6,835.285 each.

Electric may utilize, without payment of additional rental, unless such increased utilization increases Power's cost of operation and maintenance, Power's terminal and distribution station at Highlandtown, including grounds, buildings, equipment, etc., in whatever manner Electric may find most expedient for carrying out its distribution business in the City of Baltimore, in so far as such use of Power's property may be consistent with due regard to safety and good operating practice.

Power may continue to make additions and improvements to high tension lines and terminal arrangements, step-down transformers and their control equipment, communication system between power house and terminal station, etc., the cost of which shall be entirely borne by Power. For those additions and improvements to parts of buildings and equipment on which Electric pays Power the carrying charges, Electric shall pay Power carrying charges (at the rate of 12.75% per annum) and additional cost of opera-

tion and maintenance, provided, however, that either Electric has requested Power to install such additions and improvements, or that Power upon its own initiative, but with the approval of Electric, has carried out such work.

The Highlandtown station is used for two purposes:—

(1) a step-down station for Power and (2) a distributing station for Electric.

The carrying charges and operating costs of such improvements as cannot be clearly allocated to either the step-down station part of Power's property or to that portion which functions as a distributing station [23405] (page 20) employed for Electric's service, shall be apportioned in equal half shares to the two parties, provided, however, that previous to the carrying out of such work notification in writing is given by one party to the other describing the purpose of the proposed improvement and stating the approximate amount of cost, thus affording to both companies an opportunity of coordinating such work with other improvements contemplated on other parts of the system.

In the event that at any time in the future actual developments such as improvements or extensions to property and equipment, abandonments, or other conditions the exact nature of which cannot be predicted over a long term of years, should cause the originally established payment or subsequent modifications thereof, based on a certain apportionment of carrying charges and operating costs, to appear either excessive or inadequate by reason of the above indicated developments, or as a result of material changes in basic costs of labor and material, or in consequence of more costly requirements of service for Electric, or for any other reasons, the two parties hereto shall agree on a new apportionment of carrying charges and of total actual cost of substation operation and maintenance of future years, in a manner that will thereafter allocate to each party a fair share of the costs corresponding to the use made of and the services rendered by these facilities.

[25406] (page 21)

EXHIBIT "C".

The purpose of this Exhibit is to set forth the basis of charges for use of the 60 cycle transmission line from Philadelphia Road Substation to Gunpowder Falls which Power built for the use of Electric in 1924. A formal agreement has heretofore not been made covering the continued use of these facilities and the charges therefore have been fluctuating from year to year.

Commencing January 1st, 1928, Electric shall pay Power each year the following charges in equal monthly instalments:

- | | |
|--|-------------|
| (1)—12.75% of \$193,694.42 being cost to Power as of January 1, 1927, of constructing the above mentioned 60 cycle transmission line | \$24,696.04 |
| (2)—10/90ths of \$42,709.68 being the average annual cost of operation and maintenance of Power's transmission lines from Holtwood to Baltimore during the five years ending with 1926 | 4,745.52 |
| | <hr/> |
| Annual Charge | \$29,441.56 |
| Monthly Instalment | 2,453.46 |

The amount of this annual charge shall remain unchanged during the term of this agreement, except under the following conditions:

- (a)—If additional investment becomes necessary, or is incurred by Power at the request of Electric, for the purpose of modifying, improving or extending the property or equipment in connection with this transmission service; the annual payment shall then be increased by an amount equal to 12.75% on such additional investment cost.

(b)—In the event that Power desires to use for its own transmission purposes a portion of the above mentioned transmission line and equipment which originally had been provided exclusively for Electric's transmission service, the fixed charges on the total investment shall be prorated between Electric and Power in proportion to the use made of the facilities by Electric and Power. Thus, for example, if Power decides to string a second circuit on the tower structures between Philadelphia Road Substation and Gunpowder Falls to be employed exclusively for Power's own transmission purposes, the sum of the cost of the said transmission line and equipment (\$193,694.42 plus cost of additions made under paragraph (a)), plus the cost of erecting the second circuit for Power's purposes shall be divided into halves and Electric shall pay Power annual fixed charges at the rate of 12.75% on one-half of this total investment.

[25407] (page 22)

(c)—In the event that actual developments in the future, such as improvements or extensions to the property and equipment provided by Power for Electric's transmission service, abandonments, or other conditions, should cause the originally established payment for operation and maintenance, based on the ratio of 10/90ths of total cost of Holtwood-Baltimore line operation and maintenance (representing the ratio of lengths of tower lines) to appear either excessive or inadequate by reason of improvements and extensions to equipment, or as a result of material changes in basic cost of labor and material, or in consequence of more costly requirements of service for Electric, or for other reasons, the two parties hereto

shall agree on a new apportionment of total actual cost of Holtwood-Baltimore transmission line operation and maintenance of future years in a manner that will thereafter allocate to each party a fair share of costs, corresponding to the use made of and the services rendered by these facilities.

[25408] (page 23)

EXHIBIT "D".

The purpose of this Exhibit is to set forth in greater detail the conditions referred to in Article 5 (c) of the agreement, governing the supply of power and energy to Electric at or near Havre de Grace.

Power, upon request of Electric, will construct, operate and maintain a transmission line from Holtwood to Havre de Grace.

Power now has available at or near the Holtwood Plant 13,200 and 33,000 volt switching equipment, two transformer banks totalling 8,000 K. V. A. capacity, a 33,000 volt river crossing, certain rights-of-way, etc., which may be used in whole or in part for the transmission of power and energy to Havre de Grace. Power will hold these facilities for such use until May 1st, 1928, and Electric will advise Power on or before that date whether it desires Power to construct a transmission line to Havre de Grace.

If the said transmission line is constructed, Electric shall pay Power each year the following charges in equal monthly instalments:

(1) A fixed charge at the rate of 12.75% of the cost of the transmission line, tie-in equipment, etc., but the switching equipment, transformer bank, river crossing, rights-of-way, etc., mentioned in the preceding paragraph shall not be included in said cost, it being agreed that Electric shall have the use of said equipment and facilities free of cost.

(2) The additional costs incurred by Power for the operation and maintenance of facilities now owned or hereafter installed by Power in connection with the supplying of power and energy to Havre de Grace.

In the event that Power should employ for its own transmission services a portion of the property, transmission line or equipment that Power may provide at Elec-

tric's request for service to Havre de Grace (in addition to the facilities now owned by Power), the annual fixed charges of 12.75% and the cost of operation and maintenance shall be apportioned in a fair ratio between Power and Electric, following the general principle governing the apportionment of such charges in connection with transmission service between Philadelphia Road and Gunpowder as covered by Exhibit "C."

Power and energy delivered at Havre de Grace shall be metered and billed on the low tension side of the main step-down transformers at Havre de Grace as a portion of the supply contracted for under this agreement, except that if such supply to Havre de Grace should make it necessary for Power to incur investment costs for which Electric is not obligated to pay the carrying charges as provided above, then the supply to Havre de Grace shall be treated separately as agreed upon by the two parties, but the unit rates for power and energy specified in Article 7 shall not be changed.

[25409] (page 24)

EXHIBIT "E".

METERING AND ADJUSTMENT OF BILLS

There shall be installed at points of delivery standard watthour meters to be known as billing meters and such other meters known as check meters as may be mutually agreed upon by the parties concerned.

Routine calibration tests of billing and check meters shall be made in the presence of representatives of both parties at least once in every twelve months, or at such shorter intervals as may be mutually agreed upon. In addition to these routine tests, in case either party at any time believes that any billing meter equipment registers incorrectly, it shall have the right to make or have made a special test on such equipment, using methods mutually acceptable and making such tests in the presence of representatives of the other party. After every test the meters shall be adjusted to read with as near absolute accuracy as possible within the then prevailing range of use, allowing for inaccuracies in the instrument transformers as determined by tests. Calibration of the ratio of instrument transformers, which involves considerable expense, shall be made only as found necessary.

Any meter equipment shall be considered accurate for billing purposes if, as the result of tests, the weighted average error above or below accuracy is found to be not greater than two (2) per cent. The calibration points (selected according to the prevailing range of use) and the method of weighting the results are to be agreed upon before the test by the parties concerned.

If the weighted average error of any billing meter equipment is found to be greater than two (2) per cent., but the error of the check meter is two (2) per cent. or less, the consumption since the last monthly reading preceding request for test shall be billed according to the registration

of the check meter. If both billing and check meters are found to be more than two (2) per cent. inaccurate, the probable consumption since the last monthly reading preceding the request for test shall be estimated and paid for as may be agreed upon between the parties. In no case shall any correction whatever on account of inaccuracy of metering equipment extend back beyond thirty days prior to the day of request for test, or beyond the last preceding test in case this was within the thirty-day period.

[25410] (page 25)

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT made this 27th day of December, 1928, between CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE, a corporation of the State of Maryland, hereinafter called "Electric", and PENNSYLVANIA WATER AND POWER COMPANY, a corporation of the State of Pennsylvania, hereinafter called "Power".

WHEREAS, by an agreement between Electric and Power made as of the 31st day of December, 1927, Power agreed to supply electrical energy to Electric until December 31, 1970; and

WHEREAS, it was provided in the first paragraph of Exhibit "B" attached to and forming part of said agreement that "Power hereby agrees to sell and Electric agrees to purchase January 1st, 1929, for the nominal consideration of \$1.00, Power's underground cable system between Highlandtown Substation and Pratt Street Station. After said date Electric shall operate and maintain said cable system. The initially agreed to total annual rental for substation service shall therefore be \$82,023.42, payable in equal monthly instalments of \$6,835.285 each."; and

WHEREAS, the parties hereto have mutually agreed to change said provision.

NOW, THEREFORE, THIS AGREEMENT, WITNESSETH: That for and in consideration of the sum of Five Dollars (\$5.00) and other valuable considerations paid by each of the parties hereto to the other, receipt whereof is hereby acknowledged, it is agreed as follows:

1. That the aforesaid provision of Exhibit "B" shall be stricken out and the following inserted in lieu thereof;—

"Electric agrees to purchase December 31st, 1928, from Power's subsidiary (Susquehanna Transmission Company

of Maryland) for the consideration of \$105,935.69 (cable investment of \$146,930.00 less \$40,994.31 depreciation) the [25411] (page 26) underground cable system between Highlandtown Substation and Pratt Street Station. After said date Electric shall operate and maintain said cable system. The initially agreed to total annual rental for substation service shall therefore be \$82,023.42, payable in equal monthly instalments of \$6,835.28⁵ each, but for the year 1929 and subsequent years shall be reduced by 12.75% of \$105,935.69, thus making the annual rental \$68,516.62, payable in equal monthly instalments of \$5,709.718."

2. That on and after December 31st, 1928, the electrical energy delivered by Power to Electric and carried over the above mentioned underground cable system to the Pratt Street Station shall be metered as heretofore at said Station.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed in duplicate by their duly authorized officers and to be sealed with their respective corporate seals, attested by their respective secretaries.

CONSOLIDATED GAS ELECTRIC LIGHT AND POWER
COMPANY OF BALTIMORE

[SEAL]

(Signed) HERBERT A. WAGNER, *President*.

Attest:

(Signed) WM. SCHMIDT, JR., *Secretary*.

PENNSYLVANIA WATER AND POWER COMPANY

[SEAL]

(Signed) CHAS. E. F. CLARKE, *President*.

Attest:

(Signed) F. J. ALLEN, *Secretary*.

[25412] (page 27)

SUPPLEMENTAL AGREEMENT.

THIS SUPPLEMENTAL AGREEMENT made as of the 1st day of June, 1931, between CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE, a corporation of the State of Maryland, hereinafter called "Electric," and PENNSYLVANIA WATER AND POWER COMPANY, a corporation of the State of Pennsylvania, hereinafter called "Power."

WHEREAS an agreement has been made between Power and Electric dated December 31, 1927, and terminating December 31, 1970, providing among other things that the investment programs of said companies for additional generating and transmission facilities shall be co-ordinated well in advance to the greatest benefit to the parties and to the public service by them; and

WHEREAS in accordance with this intent of said agreement, Power and Electric have made an agreement of even date herewith, terminating April 22, 1980, with Safe Harbor Water Power Corporation, a corporation of the State of Pennsylvania, hereinafter called Safe Harbor, for the transmission and purchase of electrical power and energy, by Power one-third, and by Electric two-thirds, of the electrical output of the initial development of a hydroelectric project of Safe Harbor, known as the Safe Harbor Development, whereby the operation of the hydroelectric and steam-electric generating plants of Power at Holtwood, Pennsylvania, and of the Safe Harbor Development, will be so co-ordinated that the greatest possible combined amount of power and energy will be derived therefrom; and

WHEREAS determination of the relative pecuniary rights and obligations of Electric and Power under said two [25413] (page 28) agreements is difficult and expensive, and likely to become increasingly so, and is not conducive to the

most effective utilization of output, and co-ordination in operation, of the two plants; and more complete co-ordination can be attained and greater economies effected by the sale to Electric of all of Power's electrical power and energy (including that to be purchased from Safe Harbor) available for such sale, and by payment therefor on the basis of an annual charge, (instead of unit rates for power and energy), which together with payments from other customers is expected to yield to Power approximately the same net power revenue now received by Power from all its customers, including Electric, plus a reasonable income on any additional investments hereafter made by Power to serve any customers.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH: That for and in consideration of the mutual covenants and agreements hereinafter contained and the sum of five dollars (\$5.00) paid by each of the parties hereto to the other, receipt whereof is hereby acknowledged, and of other valuable considerations, Electric and Power do covenant and agree as follows:

ARTICLE I.

This agreement shall become effective as of January 1, 1931, and shall supplement the agreement of December 31, 1927, above referred to, and the general intent of said agreement and all the provisions thereof not inconsistent herewith are hereby reaffirmed. This agreement shall continue in force until midnight of April 22, 1980.

ARTICLE II.

Electric shall be entitled at all times to all the electrical capacity and energy from time to time available to Power at [25414] (page 29) its Holtwood hydroelectric and steam-electric generating plants and from the Safe Harbor Development under the said agreement with Safe Harbor, and not otherwise disposed of in performance of now existing

contracts, new contracts entered into by Power with Electric's approval or any duty or obligation to serve imposed on Power by its charter or otherwise by law.

ARTICLE III.

In payment for all the electrical capacity and energy which Electric receives from Power pursuant to Article II hereof, Electric shall pay annually to Power the following sum of money, which shall be increased and/or decreased from time to time, by order of, or pursuant to determination of unreasonableness thereof by, any regulatory authorities in the exercise of their respective powers and jurisdiction under the laws of Pennsylvania, Maryland and/or the United States to fix reasonable rates, and may be increased and/or decreased by agreement of the parties subject to the regulatory powers of such authorities:

(a) The amount of net power revenue, before interest but after depreciation, that would have accrued to Power in the calendar year 1930 had the flow of the Susquehanna River been equal to the 40 year average flow (1891-1930 inclusive) usable by the Holtwood hydroelectric plant of Power. This sum is computed to be approximately, and shall be taken to be, \$2,832,259.75, as shown in Exhibit "A" attached hereto. If, however, there is a decrease during the year 1931 in the income accrued to Power from all of its customers other than Electric for the sale of electrical and hydraulic power and energy, below the corresponding income accrued in 1930, then the sum of \$2,832,259.75 shall be reduced by such decrease, and the resulting decreased amount shall be the amount that Electric shall pay to [25415] (page 30) Power under this subparagraph (a); provided, however, if the average income so accrued to Power from its customers other than Electric during the years 1931 to 1933, inclusive, be greater than the corresponding income accrued in 1930, then for the year 1933 and thereafter Electric shall pay to Power the sum of \$2,832,259.75.

The sum of \$2,832,259.75 is computed after an allowance of \$355,146.73 for renewals and replacements. Subject to the determinations, from time to time, of any regulatory authorities acting within their respective powers and jurisdiction under the laws of Pennsylvania, Maryland and/or the United States, Power may appropriate at least this allowance (plus an appropriation in respect of net additions referred to in paragraph (b) of this Article III) each year to its reserve for these purposes, which was \$2,875,440.89 as of December 31, 1930; provided, however, that (subject as aforesaid) said reserve shall never at any time amount to more than 15 per cent. of the book value (or the fair value which may be determined from time to time by any such regulatory authorities in the exercise of their respective powers and jurisdiction) of the plant, power development, transmission lines and other property used by Power and its subsidiaries in the generation and transmission of electrical power and energy; the allowance of \$355,146.73 shall be reduced whenever necessary so that the reserve shall not exceed this amount.

(b) The sum of twelve monthly amounts, computed at the end of each month, equal to 10.25 per cent. per annum of the cost of net additions, after December 31, 1930, on the books of Power and its subsidiaries, to investment in plant, power development, transmission lines and like property, by Power and by subsidiaries engaged in the generation and transmission of electrical power and energy, or businesses incidental thereto. The amount mentioned in this paragraph (b) shall not be based on any additions included in the basis of similar [25416] (page 31) computation under Article VII of the agreement between Safe Harbor and the parties hereto.

(c) An amount equal to all reasonable operating expenses accrued during the calendar year, including maintenance and general expenses, insurance and taxes, and a reasonable allowance (above referred to) for renewals and replacements (which shall be regarded as including provision for depreciation) of property other than net additions referred to in paragraph (b) of this Article III, in the operation of generating plants, interconnected transmission systems, and all facilities appurtenant thereto.

(d) An amount equal to the actual payments made by Power, or accrued, during the calendar year for electrical power and energy obtained from Safe Harbor and/or from other sellers with whom Power may now have contracts for the purchase of electrical power and energy, or may hereafter contract for such purchase with the approval of Electric.

(e) From the sum of the amounts mentioned in paragraphs (a), (b), (c) and (d) hereof, there shall be deducted, in determining the sum to be paid by Electric to Power, the amounts accrued during the calendar year to Power from its customers and/or contracting parties other than Electric, for the sale to them by Power of electrical and hydraulic power and energy and for the lease to and/or use by them of real estate, riparian property and privileges, generation, transmission and other facilities owned and/or controlled by Power, for the purpose, either direct or indirect, of generating, transmitting, distributing, and/or exchanging electrical and hydraulic power and energy.

(f) From the sum of the amounts aforesaid there shall also be deducted a reasonable credit on account of (1) increase at the end of the year in net reserve for depreciation or renewals (whether in respect of additions after December 31, 1930, or of property already [25417] (page 32) owned on December 31,

1930) over and above the net amount of said reserve on December 31, 1930, and/or (2) other decrease, (e.g., through sale or retirement), in book cost, less such reserve, of property owned on December 31, 1930:

(g) Electric estimates that its sales of electrical energy, other than energy for railroad electrification purposes, during the years 1932 to 1937 will be not less than the amounts set up in the following schedule:—

<i>Year</i>	<i>Sales in million k.w.h.</i>
1932	905
1933	943
1934	984
1935	1024
1936	1065
1937	1106

A charge shall be set up by Electric against Power for each of the above years in the following amount:

1932.....	\$175,000
1933	200,000
1934	225,000
1935	250,000
1936	287,400
1937	287,400

Against the said charge there shall be credited in each of said years—

1—Six dollars and sixty-three cents per meg.w.h. for all sales of energy by Electric, (other than for railroad electrification), in excess of the amounts specified in the above schedule.

2—One mill per k.w.h. for all sales of energy by Electric for railroad electrification purposes.

[25418] (page 33) If the credits are less than the charge in any year, Power shall pay the deficiency to Electric, but if the credits are more than the charge,

Electric shall pay the excess to Power, provided, however, that the total of such excess payments by Electric for the six year period ending December 31, 1937, shall not exceed the total of such deficiency payments by Power to Electric.

[For paragraph (h) see supplemental agreement of September 29, 1939.]

The net sum of the above amounts to be paid annually by Electric to Power shall be estimated by the parties hereto in advance, and shall be paid as nearly as possible in equal monthly installments, the payment for any month to be made not later than the fifteenth day of the next succeeding month, with subsequent adjustment to the correct yearly payment.

ARTICLE IV.

So far as possible consistently with the performance of any duty or obligation to serve imposed on Power by its charter or otherwise by law, Power shall obtain the approval of Electric before entering into any agreement or agreements with any other person or corporation for the sale and/or purchase and/or interchange of electrical and hydraulic power and energy, or before making any substantial modifications in the existing contracts now in force between Power and its customers other than Electric.

ARTICLE V.

So far as possible consistently with the performance of any duty or obligation aforesaid, Power shall obtain the approval of Electric (1) before incurring any single commitment for investment (except for renewals or replacements) in excess of \$50,000.00 on the basis of which Electric shall make payment under Article III (b) hereof, and (2) before alienating or disposing of in any one year any property, [25419] (page 34) plant, or equipment, other than stores and construction equipment, having a total

value in excess of \$50,000.00 and included in the investments of Power and/or subsidiaries of Power in plant, property or power development devoted to the generation, transmission, or distribution of electrical power and energy.

ARTICLE VI.

Power shall at all times as far as practicable keep its equipment in first-class condition in accordance with good engineering practice and shall arrange whenever possible to have all maintenance work in its hydroelectric plant done in the low flow periods. If any equipment by necessity is out of service during high flow, Power shall use every reasonable effort to return equipment to service as quickly as possible, consistent with high standards of operating and maintenance practice.

ARTICLE VII.

If at any time during the continuance of this agreement Power shall be prevented from supplying and Electric from receiving all or any part of the power and energy herein specified, by reason of war, rebellion, civil disturbance, strikes, serious epidemics, major catastrophe, or any other cause of a like nature beyond the control of either party, the obligation of Power to supply and the obligation of Electric to take, power and energy herein specified, shall cease until such time as the party so incapacitated shall, by the exercise of reasonable diligence, be able to resume such supply or use, and a reasonable abatement in the payments by Electric to Power shall be made.

[25420] (page 35)

ARTICLE VIII.

It is the intent among other things of this long term agreement to encourage the maximum cooperative utilization of the power and energy entitlements and resources

and other facilities of the parties hereto to the end that the joint use of their property and equipment shall give the greatest practical benefit to the public, and that all duplication of investment, and all unnecessary operating and maintenance costs, shall be avoided except such as would contribute toward the maintenance and improvement of the high standard of service rendered. The parties hereto shall cooperate to the fullest extent in the selection of the most suitable equipment, in the co-ordination of their investment programs for additional generating capacity, transmission and tie-in facilities, etc., and shall so conduct their operations that economic interchange of power and energy during the different hours of the day, the seasons of the year, and over more prolonged periods, shall be encouraged in every possible way. For this purpose and to insure that the costs of operation and maintenance, and other current costs, of Power's facilities for the generation and transmission of electrical power and energy, shall be at all times the minimum that is practical in view of the high standard of service rendered, each party shall, within thirty (30) days after the execution of this agreement, appoint one representative to act as its agent for investigation, consultation, and advice in all operating, engineering and accounting matters pertaining to the interconnected facilities herein contemplated, and to the supply and interchange of power and energy herein provided for. Each appointment shall be evidenced by written notice to the other party signed by an executive officer. Either party at any time may change its representative or withhold or withdraw from its representative the authority to act for it in any matters specified in the [25421] (page 36) notice, provided that it designate in such notice other representation in respect to such matters. These representatives, to be known as the Operating Committee, shall confer upon request of either; in case of their inability to agree, the question in dispute shall be submitted to the Presidents of the respective companies for their decision.

ARTICLE IX.

For the purpose of determining the payments to be made by Electric to Power under Article III hereof, Electric shall have complete access to, and may audit the accounts of Power at any time.

ARTICLE X.

In case of any dispute arising between the parties to this agreement, the said dispute shall be referred to a Board of Arbitration upon service of written notice by either party to the other.

The said Board of Arbitration shall consist of three members, the first member to be chosen by the party complaining, the second member to be chosen by the other party, and the third member to be chosen by the first and second members. Should the second or third member remain unselected at the expiration of thirty days after notice of arbitration is given, then upon the request of the complaining party, and upon notice thereof having been given to the other party, the second or third member, or both, of the Arbitration Board shall be selected by the then Chief Judge of the Supreme Bench of Baltimore City or, in the event of the said Judge's [25422] (page 37) disinclination or failure to act within thirty days, by the then Chairman of the Public Service Commission of Maryland.

The Board of Arbitrators shall proceed at its earliest convenience to hear and determine the questions at issue after having given each party hereto not less than five days notice of the time and place of the first meeting.

Each party shall be permitted to be represented by counsel before the Board of Arbitrators, and to present in full, by competent witnesses, all facts, figures and statements which might aid the Board of Arbitrators to give a final and fair judgment as to the questions in dispute.

The determination of the Board of Arbitrators, or a majority thereof, shall be made within sixty days after the

submission to said Board, unless prevented by circumstances unforeseen, and the decision of the Board of Arbitrators, or a majority thereof, shall be final and conclusive upon the parties hereto and said parties shall abide by such decision.

All expenses in connection with such arbitration, including a reasonable compensation for the arbitrators, shall be divided equally between the parties, with the exception of expenses of counsel, witnesses and employes of the parties, which expenses shall be borne by the parties incurring them.

All notices herein provided for may be given by serving the same in writing, or by sending the same by registered mail addressed to the party interested at its principal places of business.

IN TESTIMONY WHEREOF each of the parties hereto has caused these presents to be signed in its corporate name by its President or a Vice-President and its corporate seal to be [25423] (page 38) hereunto affixed and duly attested by its Secretary or an Assistant Secretary as of the day and year first above written.

CONSOLIDATED GAS ELECTRIC LIGHT AND
POWER COMPANY OF BALTIMORE

(Signed) CHARLES M. COHN,
Vice-President.
[SEAL]

Attest:

(Signed) WM. SCHMIDT, JR.,
Secretary.

PENNSYLVANIA WATER AND POWER COMPANY

(Signed) J. A. WALLS,
Vice-President.
[SEAL]

Attest:

(Signed) F. J. ALLEN,
Secretary.

[25424] (page 39)

EXHIBIT A.

PENNSYLVANIA WATER & POWER COMPANY

Revenue for 1930 (adjusted for flow deficiency) applicable
as basis for payment under Art. IV paragraph (a) Sup-
plemental Agreement dated 6-1-1931.

POWER REVENUE:

From Consolidated Gas Electric Light and Power Company	\$2,836,007.66
Capacity Charge	\$ 820,486.31
Energy Charge (269,217,100 KWH)	1,371,468.40
Deficiency in flow— 144,453,000 KWH @ 4.0 mills	577,812.00
Highlandtown Substation Rental	68,516.62
Gunpowder Transmission Line Rental	29,441.56
	<hr/>
	\$2,867,724.89
Less credit for back feed (7,095,600 KWH)	31,717.23
	<hr/>
From Edison Electric Co., Lancaster, Pa. . .	1,074,589.83
From Edison Electric Light & Power Co., York, Pa.	282,456.72
From Chester Valley Electric Co., Coates- ville, Pa.	430,548.95
From Arundel Corporation, Safe Harbor, Pa.	21,753.20

4618

Item H

From Pioneer Electric Light Co., Lancaster,
Pa. 4,479.00

From The Susquehanna Power Company
and The Susquehanna Electric Company 124,500.00

Total Power Revenue \$4,774,335.36

Rentals received from Power Development
Property 28,450.46

\$4,802,785.82

DEDUCTIONS:

Operating expenses \$569,470.59

General Expenses 211,304.24

Taxes 391,040.79

Maintenance 443,563.72

Renewals and Replacements ... 355,146.73

\$1,970,526.07

\$2,832,259.75

ITEM I.

[25425] (page 41)

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT made as of the 29th day of September, 1939, between CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE, a corporation of the State of Maryland, hereinafter called "Electric," and PENNSYLVANIA WATER & POWER COMPANY, a corporation of the State of Pennsylvania, hereinafter called "Power,"

WHEREAS, the Public Service Commission of Maryland has requested that Electric's rates be reduced and that a substantial portion of such rate reduction be provided for through decrease in Electric's payments to Power, and

WHEREAS, it is desired by both parties to simplify and revise certain provisions of their Supplemental Agreement of June 1, 1931 with respect to annual allowances for renewals and replacements (or depreciation), and

WHEREAS, by incorporating such simplifications and revision of said provisions with modifications of other provisions of said Supplemental Agreement of June 1, 1931, the whole will effect a reduction of total payments by Electric to Power as requested by the Public Service Commission of Maryland.

NOW THEREFORE, the following amendments to the Supplemental Agreement of June 1, 1931 are hereby agreed to, effective December 1, 1939:

(1) The second paragraph of Article III. (a) is amended to read as follows:

The sum of \$2,832,259.75 is computed after an allowance of \$355,146.73 for renewals and replacements (or depreciation). Subject to the determinations, from

time [25426] (page 42) to time, of any regulatory authorities acting within their respective powers and jurisdiction under the laws of Pennsylvania, Maryland and/or the United States, Power may so appropriate this allowance (plus an appropriation, out of and not in addition to the amounts computed under paragraph (b) of this Article III, in respect of net additions referred to in that paragraph) each year to its reserve for these purposes, which was \$2,875,440.89 as of December 31, 1930.

(2) Paragraph (b) of Article III is hereby amended to read as follows:

(b) The sum of twelve monthly amounts, computed at the end of each month, equal to 10.25 per cent. per annum of the cost of net additions after December 31, 1930 to and including December 31, 1938, (not exceeding the cost of all net additions after December 31, 1930), plus 9.5 per cent. per annum of the cost of net additions after December 31, 1938, on the books of Power and its subsidiaries, to investment in plant, power development, transmission lines and like property, by Power and by subsidiaries engaged in the generation and transmission of electrical power and energy, or businesses incidental thereto. The amount mentioned in this paragraph (b) shall not be based on any additions included in the basis of similar computation under Article VII of the agreement between Safe Harbor and the parties hereto, but in such computations under Article VII of said agreement the above mentioned rate of 9.5 per cent. shall be substituted for the rate mentioned in said Article VII with respect to net additions after December 31, 1938 to transmission lines and switching stations.

(3) Immediately after Paragraph (g) of Article III insert the following:

(h) From the net sum of the amounts aforesaid there shall be deducted the sum of \$600,000.

[25427] (page 43)

IN TESTIMONY WHEREOF each of the parties hereto has caused these presents to be signed in its corporate name by its President or a Vice-President and its corporate seal to be hereunto affixed, duly attested by its Secretary or an Assistant Secretary as of the day and year first above written.

CONSOLIDATED GAS ELECTRIC LIGHT AND POWER
COMPANY OF BALTIMORE

(Signed) HERBERT A. WAGNER,
President.
[SEAL]

Attest:

(Signed) HERMAN L. GRUEHN,
Secretary.

PENNSYLVANIA WATER & POWER COMPANY

(Signed) F. A. ALLNER,
Vice-President.
[SEAL]

Attest:

(Signed) J. E. O'CONNOR,
Assistant Secretary.

4622

Item K

ITEM K.

DETERMINATION OF ORIGINAL COST
OF ELECTRIC PLANT

OF

PENNSYLVANIA WATER & POWER COMPANY

PURSUANT TO

ELECTRIC PLANT INSTRUCTION 2-D

OF THE

UNIFORM SYSTEM OF ACCOUNTS

OUTLINE OF ORIGIN AND DEVELOPMENT
TO JANUARY 1, 1937

(Excerpt)

[25447]

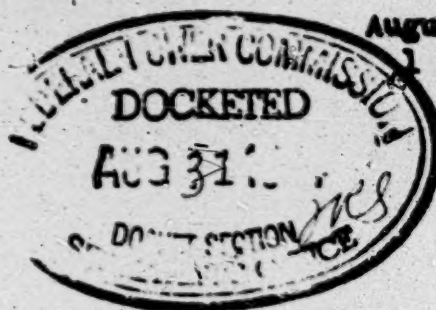
On June 12, 1905 the Susquehanna Contracting Company was incorporated in New York to facilitate the development and financing of the McCall project. It had capital stock of only \$500. and was a "paper" company which did no construction work and derived no profit. It was dissolved in April 1910.

COPY

PUBLIC SERVICE COMMISSION
Mansey Building
Baltimore-2

Copies for:
Commissioners
Mr. Shannon
Mr. C.W. Smith

DOCKET NO. 11-5915



August 30th,
1944

Honorable Basil Manly,
Acting Chairman,
Federal Power Commission,
Washington, D. C.

Dear Mr. Chairman:

As you know, this Commission is engaged in an investigation of the rates charged by Consolidated Gas Electric Light and Power Company of Baltimore which receives large quantities of electric energy from Safe Harbor Water Power Corporation and Pennsylvania Water and Power Company.

In considering a motion by People's Counsel that this Commission request the Federal Power Commission to determine the reasonable rates to be charged by these two companies for energy supplied to Maryland, we have first inquired into the preparedness of the two state commissions to exercise the regulation indicated by U. S. Circuit Court of Appeals in Safe Harbor Water Power Corporation v. Federal Power Commission.

While the state commissions are ready to engage in co-operative regulation and the opinion of the Circuit Court indicates state jurisdiction, the public interest demands the procedure which will get results in the shortest possible time and we understand that the Federal Power Commission is prepared to pursue the matter to a conclusion in much less time than probably would be required by state action.

Under the circumstances, this Commission has decided to grant the motion of People's Counsel and hereby requests that the Federal Power Commission proceed to determine the reasonable rates to be charged by Safe Harbor Water Power Corporation and by Pennsylvania Water and Power Company for energy sold to Consolidated Gas Electric Light and Power Company of Baltimore.

At the request of People's Counsel we are forwarding copies of schedules 10 to 13, inclusive of his exhibit No. 1, for your information.

(no enclosures
Mail Room)

Very truly yours,

/s/ Stuart Purcell

Chairman.

[25523D]

Item R

4623

PENNSYLVANIA WATER AND POWER COMPANY

(INCLUDING SUSQUEHANNA TRANSMISSION COMPANY OF MARYLAND)

DOCKET NO. IT- 5915.....

RATE BASE, RETURN AND RATE OF RETURN
FOR THE YEARS ENDED DECEMBER 31, 1942 AND 1943

1344
JPS

Item	Particulars (a)	Year Ended December 31,	
		1942 (b)	1943 (c)
1	Average Fixed Capital at Book Figures	\$38,512,435	\$38,673,077
2	Deduct: Plant Adjustment Account	2,106,765	2,106,765
3	Average Fixed Capital at Original Cost	\$36,405,669	\$36,566,242
4	Average Reserve for Depreciation	7,096,591	7,642,043
5	Average Depreciated Fixed Capital at Original Cost	\$29,309,078	\$28,924,199
6	Working Capital Allowance	134,412	149,020
7	Materials and Supplies	341,102	353,882
8	Rate Base	\$29,784,592	\$29,427,101
9	Operating Revenues	\$ 6,904,824	\$ 6,643,075
	Operating Revenue Deductions:		
10	Operating Expenses	\$ 2,260,331	\$ 2,041,109
11	Depreciation	568,805	570,874
12	Federal Income Taxes (Note)	1,040,810	1,100,024
13	Other Taxes	416,919	354,225
14	Total Operating Revenue Deductions	\$ 4,286,865	\$ 4,066,232
15	Operating Income (Return)	\$ 2,617,959	\$ 2,576,843
16	Rate of Return	8.79%	8.76%
17	Net Income Per Share of Common Stock	19.49%	18.47%

[25523E]

Item R

Note: Federal Income Taxes of the Company are charged in total as an operating revenue deduction; part of this item of cost is allocable to Non-operating Income.

RECEIVED

JAN 10 1944

DIVISION OF ACCOUNTS

4624

PENNSYLVANIA WATER & POWER COMPANY
 (INCLUDING SUSQUEHANNA TRANSMISSION COMPANY OF MARYLAND)

W. C. 11-59/5

STATEMENT OF INCOME REDUCTIONS WITH ASSOCIATED TAX SAVINGS AT VARIOUS
 RATES OF RETURN AND CONSEQUENT REDUCTIONS IN COST OF PURCHASED POWER TO
 CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE

Item	Particulars (a)	Year Ended December 31.	
		1942 (b)	1943 (c)
1	Rate Base (Schedule No. 10, Item 8)	\$29,784,592	\$29,427,101
2	Operating Income (Return) (Schedule No. 10, Item 15)	\$ 2,617,959	\$ 2,576,843
<u>Return of 6% on Rate Base, Item 1:</u>			
3	Operating Income, Item 2	\$ 2,617,959	\$ 2,576,843
4	Operating Income (Return) of 6%	1,787,076	1,765,626
5	Reduction in Income of Pennsylvania Water & Power Company	\$ 830,883	\$ 811,217
6	Tax Saving Associated with Income Reduction	553,922	540,811
7	Reduction in Cost of Purchased Power to Baltimore	\$ 1,384,805	\$ 1,352,028
<u>Return of 5 1/2% on Rate Base, Item 1:</u>			
8	Operating Income, Item 2	\$ 2,617,959	\$ 2,576,843
9	Operating Income (Return) of 5 1/2%	1,638,153	1,618,491
10	Reduction in Income of Pennsylvania Water & Power Company	\$ 979,806	\$ 958,352
11	Tax Saving Associated with Income Reduction	653,204	638,901
12	Reduction in Cost of Purchased Power to Baltimore	\$ 1,633,010	\$ 1,597,253
<u>Return of 5% on Rate Base, Item 1:</u>			
13	Operating Income, Item 2	\$ 2,617,959	\$ 2,576,843
14	Operating Income (Return) of 5%	1,489,230	1,471,355
15	Reduction in Income of Pennsylvania Water & Power Company	\$ 1,128,729	\$ 1,105,488
16	Tax Saving Associated with Income Reduction	752,486	736,992
17	Reduction in Cost of Purchased Power to Baltimore	\$ 1,881,215	\$ 1,842,480

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FEDERAL BOMB COMMISSION

[25523F]

Item R

4625

SAFE HARBOR WATER POWER CORPORATION.

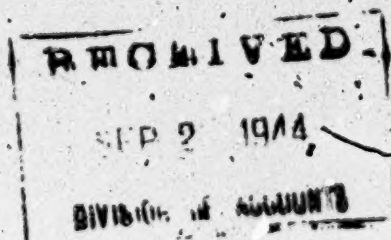
RATE BASE, RETURN AND RATE OF RETURN FOR THE YEARS ENDING DECEMBER 31, 1942 AND 1943

1943 *ps*

Item	Particulars (a)	Year Ended December 31.	
		1942 (b)	1943 (c)
1	Average Fixed Capital	\$30,127,358	\$30,141,176
2	Average Reserve for Deprediation	1,349,875	1,575,673
3	Depreciated Book Cost of Average Fixed Capital	\$28,777,483	\$28,565,503
4	Working Capital Allowance	47,690	53,000
5	Materials and Supplies	145,881	140,982
6	Rate Base	<u>\$28,971,054</u>	<u>\$28,759,485</u>
7	Operating Revenues	<u>\$ 3,447,660</u>	<u>\$ 3,620,422</u>
Operating Revenue Deductions:			
8	Operating Expenses	\$ 559,489	\$ 634,962
9	Depreciation	173,711	174,192
10	Interest Accretion on Depreciation Reserve	52,701	62,038
11	Federal Income Taxes	369,438	369,970
12	Federal Excess Profits Tax - Net	95,796	200,925
13	Other Taxes	141,908	143,360
14	Total Operating Revenue Deductions	<u>\$ 1,393,043</u>	<u>\$ 1,585,447</u>
15	Operating Income (Return)	<u>\$ 2,054,617</u>	<u>\$ 2,034,965</u>
16	Rate of Return	<u>7.14%</u>	<u>7.12%</u>
17	Net Income Per Share of Common Stock	<u>12.23%</u>	<u>12.17%</u>

[255236]

Item B.



SAFE HARBOR WATER POWER CORPORATION

5914

STATEMENT OF INCOME REDUCTION WITH ASSOCIATED TAX SAVINGS AT VARIOUS
RATES OF RETURN AND CONSEQUENT REDUCTIONS IN COST OF PURCHASED POWER TO
CONSOLIDATED GAS-ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE

Item	Particulars (a)	Year Ended December 31,	
		1942 (b)	1943 (c)
1	Rate Base (Schedule No. 12, Item 6)	\$28,971,054	\$28,759,485
2	Operating Income (Return) (Schedule No. 12, Item 15)	\$ 2,054,617	\$ 2,034,965
3	Add Back: Federal Excess Profits Tax	95,796	200,925
4	Deduct: Additional Federal Income Taxes (See Note)	\$ 2,150,413 47,307	\$ 2,235,890 99,222
5	Operating Income (Return) Adjusted for Federal Income Taxes	\$ 2,103,106	\$ 2,136,668
6	Return of 6% on Rate Base, Item 1:		
7	Operating Income Adjusted, Item 5	\$ 2,103,106	\$ 2,136,668
8	Operating Income (Return) of 6%	1,738,263	1,725,569
9	Reduction in Income of Safe Harbor Company	\$ 364,843	\$ 411,099
10	Tax Saving Associated with Income Reduction	243,228	274,066
11	Reduction in Cost of Purchased Power to Baltimore	\$ 608,071	\$ 685,165
12	Return of 5 1/2% on Rate Base, Item 1:		
13	Operating Income Adjusted, Item 5	\$ 2,103,106	\$ 2,136,668
14	Operating Income (Return) of 5 1/2%	1,593,408	1,581,772
15	Reduction in Income of Safe Harbor Company	\$ 509,698	\$ 554,896
16	Tax Saving Associated with Income Reduction	339,799	369,931
17	Reduction in Cost of Purchased Power to Baltimore	\$ 849,497	\$ 924,827
18	Return of 5% on Rate Base, Item 1:		
19	Operating Income Adjusted, Item 5	\$ 2,103,106	\$ 2,136,668
20	Operating Income (Return) of 5%	1,448,553	1,437,974
21	Reduction in Income of Safe Harbor Company	\$ 634,553	\$ 698,694
22	Tax Saving Associated with Income Reduction	436,369	465,796
23	Reduction in Cost of Power Purchased to Baltimore	\$ 1,090,922	\$ 1,164,490

Note: A computation of actual taxable net income discloses that Safe Harbor Water Power Corporation would be subject only to Federal Surtax and Normal Tax of 40% were the income reductions, shown above, in effect.

[25523H]

Item R

4627

ITEM U.

Docket No. IT-5582

1939

BEFORE THE FEDERAL POWER COMMISSION

In re: Application of Pennsylvania Water & Power Company for Commission's approval of the merger of its facilities for the transmission or sale at wholesale of electric energy in interstate commerce with the transmission facilities of the Susquehanna Transmission Company of Pennsylvania, within the meaning of Section 203 of the Federal Power Act.

(Excerpts)

E. That the applicant, Pennsylvania Water & Power Company, is a public utility engaged in the business of generation, purchasing, selling and transmission of electric power and energy at wholesale.

The generating properties of applicant consist of a hydroelectric plant and a steam-electric plant located at Holtwood, Pa., on the Susquehanna River and having a combined capacity of 131,000 Kw. The transmission lines of applicant and its wholly-owned subsidiary transmission companies, Susquehanna Transmission Company of Pennsylvania (a party to this proceeding), Pennsylvania Transmission Company (a party to companion proceeding) and Susquehanna Transmission Company of Maryland, form a regional power supply system referred to below. The properties of these subsidiary transmission companies are operated under contractual arrangements by applicant.

[25525]

The hydroelectric plant of Safe Harbor Water Power Corporation (a licensee under the Federal Power Act), located about 8 miles above the applicant's generating plants at Holtwood, Pa., has a capacity of 180,000 Kw. and has been tied in with applicant's plants and the steam-electric plants of Consolidated Gas Electric Light and Power Company of Baltimore by transmission lines owned by applicant or its wholly-owned transmission subsidiaries. Power resources of the three companies are thus coordinated and operated as a regional power supply system by means of the transmission lines operated by the applicant for the delivery and interchange of power and energy to the customers of the three companies. Reference is made to a map which is submitted herewith and identified as Exhibit "M".

530. SALES TO OTHER ELECTRIC UTILITIES (Account 605)

1. Report below the information called for concerning sales during year to other electric utilities and to cities or other public authorities for distribution to ultimate consumers.

2. Report separately firm, dump, and other power sold to the same company. Describe the nature of any sales classified as Other Power, column (g).

3. If a fixed number of kilowatts of maximum demand is

specified in the power contract as a basis of billing to the customer this number should be shown in column (k). The number of kilowatts of maximum demand to be shown in columns (l) and (m) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (n) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

A. Summary of Sales According to Companies and Points of Delivery

Line No.	Sales to —	Associated utilities	Nonassociated utilities	Municipalities	Firm power	Dump or surplus power	Other power	Sales within State boundaries	Exports across State lines	Point of delivery (If necessary use an insert page and identify points of delivery by line numbers of this schedule)	KILOWATTS OF DEMAND		
											Contract demand	Average monthly maximum demand	Annual maximum demand
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Consolidated Gas									Baltimore and			
2	Electric Light and									Takoma Park,			
3	Power Company of									Maryland			
4	Baltimore		X				X		X				
5	Pennsylvania Water						X	X		Safe Harbor, Pa.			
6	& Power Company		X										
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
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25													
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27													
28													
29													
30													
31													
32													
33													
34													
35										TOTAL			

B. Summary of Sales According to Statistical Classifications

36	Associated utilities	
37	Nonassociated utilities	
38	Municipalities	
39		
40	Firm power	
41	Dump or surplus power	
42	Other power	
43		
44	Sales within State boundaries	
45	Exports across State lines	
46	(Do not total)	

[25550]

Item AA

4648

Applicant does no retail distribution business. With one exception, all of applicant's power and energy is sold at wholesale to public utility companies, who resell and distribute the same. The public utility companies which applicant so serves are Pennsylvania Power & Light Company for part of its requirements in Lancaster County, Pennsylvania; Edison Light and Power Company of York, Pennsylvania, for part of its requirements in York County, Pennsylvania; Philadelphia Electric Company for part of its requirements in Chester County, Pennsylvania; and Consolidated Gas Electric Light and Power Company of Baltimore for part of its requirements within the State of Maryland. Applicant also has agreements with the Pennsylvania Power & Light Company, the Philadelphia Electric Company and the Metropolitan Edison Company for interchange of economy power and energy.

Applicant sells power and energy to The Pennsylvania Railroad Company at Safe Harbor, Manor Township, Lancaster County, Pennsylvania, which is used by The Pennsylvania Railroad Company for its electrification requirements [25526] on the passenger and freight lines of the present Philadelphia Division between Thorndale, Pennsylvania, and Harrisburg and Enola, Pennsylvania on that section of the Columbia and Port Deposit Railroad between Columbia, Pennsylvania, and the Pennsylvania-Maryland State Line and yards adjacent thereto and supporting these services.

F. That the following table shows descriptive data of the facilities owned and/or operated by applicant for transmission of electric energy in interstate commerce or the sale of electric energy at wholesale in interstate commerce.

[25527]

POLE MILES OWNED (A)

PENNSYLVANIA

MARYLAND

Line No.	Voltage	No. of Circuits	Applicant	Susq. Trans. Co. of Pa.	Penna. Trans. Co.	Susq. Trans. Co. of Md.	Total	Total Circuit Miles (A)
HOLTWOOD, PA. TO BALTIMORE, MD. (25 CYCLE)								
1	66,000	2	.58	7.74	—	31.70	40.02	80.04
2	66,000	2	.62	7.74	—	31.72	40.08	80.16
			1.20	15.48	—	63.42	80.10	160.20

HOLTWOOD, PA. TO COATESVILLE, PA. (60 CYCLE)

3	66,000	2	29.38				29.38	58.76
---	--------	---	-------	--	--	--	-------	-------

HOLTWOOD, PA. TO YORK, PA. (60 CYCLE)

4	66,000	2	23.01				23.01	46.02
---	--------	---	-------	--	--	--	-------	-------

HOLTWOOD, PA. TO LEHMAN FARM, PA. (60 CYCLE)

5	66,000	2	7.68				7.68	15.36
---	--------	---	------	--	--	--	------	-------

HOLTWOOD, PA. TO PINEY ISLAND, PA. (25 AND 60 CYCLE)

6	66,000	2	.28				.28	.56
---	--------	---	-----	--	--	--	-----	-----

SAFE HARBOR, PA. TO LEHMAN FARM, PA. (60 CYCLE)

7	66,000	2	1.43				1.43	2.86
---	--------	---	------	--	--	--	------	------

BALTIMORE, MD. TO GUNPOWDER, MD. (60 CYCLE)

8	110,000	1				9.64	9.64	9.64
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SAFE HARBOR, PA. TO PERRYVILLE, MD. (25 CYCLE)

9	132,000	4	17.89			13.61	31.50	126.00
10	132,000	2	.65				.65	1.30
11	132,000	2				1.69	1.69	3.38

18.54

15.30

33.84

130.68

SAFE HARBOR, PA. TO WESTPORT, MD. (60 CYCLE)

12	220,000	1	.22		17.61	50.09	67.92	67.92
----	---------	---	-----	--	-------	-------	-------	-------

ELLCOTT CITY, MD. TO TAKOMA PARK, MD. (60 CYCLE)

13	220,000	1				14.59	14.59	14.59
----	---------	---	--	--	--	-------	-------	-------

SAFE HARBOR, PA. TO DUNDALK, MD. (60 CYCLE)

14	220,000	1	.29		14.41	35.56	50.26	50.26
----	---------	---	-----	--	-------	-------	-------	-------

(A) Approximate mileage

[25527A]

K. That the facilities of the Susquehanna Transmission Company of Pennsylvania which are to be merged with the applicant's facilities, consist [25527B] of the Pennsylvania portion of two double circuit steel tower transmission lines extending from Holtwood, Pennsylvania, to points in the State of Maryland. Further particulars concerning these transmission lines are set forth on lines 1 and 2 of the table appearing under Item "F" of this application. These lines are at present used in the transmission of electrical energy generated by applicant and sold to Consolidated Gas Electric Light and Power Company of Baltimore and will be so used after the proposed merger is consummated. These transmission lines constitute all the operating facilities of that company and the attached map, marked Exhibit "M", shows the location of these lines and their interconnection with applicant's facilities.

ITEM V.

Docket No. IT-5583

1939

BEFORE THE FEDERAL POWER COMMISSION

In Re: Application of *Pennsylvania Water & Power Company* for Commission's approval of the merger of its facilities for the transmission or sale at wholesale of electric energy in interstate commerce with the transmission facilities of the *Pennsylvania Transmission Company*, within the meaning of Section 203 of the Federal Power Act.

(Excerpts)

[25528]

TO THE FEDERAL POWER COMMISSION:

The application of Pennsylvania Water & Power Company respectfully represents:

B. That the applicant was formed under the laws of the Commonwealth of Pennsylvania on January 13, 1910.

That applicant possesses no rights to do business in any State other than Pennsylvania.

[25529]

E. That the applicant, Pennsylvania Water & Power Company, is a public utility engaged in the business of generating, purchasing, selling and transmission of electric power and energy at wholesale.

The generating properties of applicant consist of a hydroelectric plant and a steam-electric plant located at Holtwood, Pa., on the Susquehanna River and having a combined capacity of 131,000 Kw. The transmission lines of applicant and its wholly-owned subsidiary transmission companies, Susquehanna Transmission Company of Pennsylvania (a party to a companion proceeding), Pennsylvania Transmission Company (a party to this proceeding) and Susquehanna Transmission Company of Maryland, form a regional power supply system referred to below. The properties of these subsidiary transmission companies are operated under contractual arrangements by applicant.

[25530]

The hydroelectric plant of Safe Harbor Water Power Corporation (a licensee under the Federal Power Act), located about 8 miles above the applicant's generating plants at Holtwood, Pa., has a capacity of 180,000 Kw. and has been tied in with applicant's plants and the steam-electric plants of Consolidated Gas Electric Light and Power Company of Baltimore by transmission lines owned by applicant or its wholly-owned transmission subsidiaries.

Power resources of the three companies are thus coordinated and operated as a regional power supply system by means of the transmission lines operated by the applicant for the delivery and interchange of power and energy to the customers of the three companies. Reference is made to a map which is submitted herewith and identified as Exhibit "M".

Applicant does no retail distribution business. With one exception, all of applicant's power and energy is sold at wholesale to public utility companies, who resell and distribute the same. The public utility companies which applicant so serves are Pennsylvania Power & Light Company for part of its requirements in Lancaster County, Pennsylvania; Edison Light and Power Company of York, Pennsylvania, for part of its requirements in York County, Pennsylvania; Philadelphia Electric Company for part of its requirements in Chester County, Pennsylvania; and Consolidated Gas Electric Light and Power Company of Baltimore for part of its requirements within the State of Maryland. Applicant also has agreements with the Pennsylvania Power & Light Company, the Philadelphia Electric Company and the Metropolitan Edison Company for interchange of economy power and energy.

Applicant sells power and energy to The Pennsylvania Railroad Company at Safe Harbor, Manor Township, Lancaster County, Pennsylvania, which is used by The Pennsylvania Railroad Company for its electrification requirements on the passenger and freight lines of the present Philadelphia Division [25531] between Thorndale, Pennsylvania, and Harrisburg and Enola, Pennsylvania, on that section of the Columbia and Port Deposit Railroad between Columbia, Pennsylvania and the Pennsylvania-Maryland State Line and yards adjacent thereto and supporting these services.

F. That the following table shows descriptive data of the facilities owned and/or operated by applicant for transmission of electric energy in interstate commerce or the sale of electric energy at wholesale in interstate commerce:

Item V

4637

[25532]

POLE MILES OWNED (A)

PENNSYLVANIA

MARYLAND

Line No.	Voltage	No. of Circuits	Appl. can	Susq. Trans. Co. of Pa.	Penna. Trans. Co.	Susq. Trans. Co. of Md.	Total	Circuit Miles (A)
HOLTWOOD, PA. TO BALTIMORE, MD. (25 CYCLE)								
1	66,000	2	.58	7.74	—	31.70	40.02	80.04
2	66,000	2	.62	7.74	—	31.72	40.08	80.16
			1.20	15.48	—	63.42	80.10	160.20
HOLTWOOD, PA. TO COATESVILLE, PA. (60 CYCLE)								
3	66,000	2	29.38				29.38	58.76
HOLTWOOD, PA. TO YORK, PA. (60 CYCLE)								
4	66,000	2	23.01				23.01	46.02
HOLTWOOD, PA. TO LEHMAN FARM, PA. (60 CYCLE)								
5	66,000	2	7.68				7.68	15.36
HOLTWOOD, PA. TO PINEY ISLAND, PA. (25 AND 60 CYCLE)								
6	66,000	2	.28				.28	.56
SAFE HARBOR, PA. TO LEHMAN FARM, PA. (60 CYCLE)								
7	66,000	2	1.43				1.43	2.86
BALTIMORE, MD. TO GUNPOWDER, MD. (60 CYCLE)								
8	110,000	1				9.64	9.64	9.64
SAFE HARBOR, PA. TO PERRYVILLE, MD. (25 CYCLE)								
9	132,000	4	17.89			13.61	31.50	126.00
10	132,000	2	.65				.65	1.30
11	132,000	2				1.69	1.69	3.38
			18.54			15.30	33.84	130.68
SAFE HARBOR, PA. TO WESTPORT, MD. (60 CYCLE)								
12	220,000	1	.22		17.61	50.09	67.92	67.92
ELLCOTT CITY, MD. TO TAKOMA PARK, MD. (60 CYCLE)								
13	220,000	1				14.59	14.59	14.59
SAFE HARBOR, PA. TO DUNDALK, MD. (60 CYCLE)								
14	220,000	1	.29		14.41	35.56	50.26	50.26

(A) Approximate mileage

[25533]

K. That the facilities of the Pennsylvania Transmission Company, which are to be merged with the applicant's facilities, consist of the Pennsylvania portion of two single circuit steel tower transmission lines extending from Safe Harbor, Pennsylvania, to points in the State of Maryland. Further particulars concerning these transmission lines are set forth on [25534] lines 12 and 14 of the table appearing under Item "F" of this application. These lines are at present used in the transmission of electrical energy generated by the Safe Harbor Water Power Corporation and sold to Consolidated Gas Electric Light and Power Company of Baltimore and will be so used after the proposed merger is consummated. These transmission lines constitute all the operating facilities of that company and the attached map, marked Exhibit "M", shows the location of these lines and their interconnections with applicant's facilities.

Item W

4639

ITEM W.

[25535]

**UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION**

Commissioners { Clyde L. Seavey, Chairman; Claude L.
Draper, Basil Manly, Leland Olds,
John W. Scott, not participating.

November 28, 1939

In the Matter of
Susquehanna Transmission Company
of Pennsylvania
and
Pennsylvania Water & Power Company
—
Pennsylvania Transmission Company
and
Pennsylvania Water & Power Company

Docket No.
IT-5582

Docket No.
IT-5583

**ORDER AUTHORIZING AND APPROVING SALE
AND MERGER OF FACILITIES**

• • •
[25536] (page 2)
• • •

The Commission *finds* that:

• • •
[25537] (page 3)

- (3) Susquehanna Transmission Company of Pennsylvania owns electric facilities, including, among others, two 66 Kv double-circuit transmission lines, approximately 7.75 miles in length, extending from the vicinity of the Holtwood hydroelectric develop-

ment at Holtwood, Pennsylvania, to the Pennsylvania-Maryland State line, which facilities are utilized in the transmission and sale at wholesale of electric energy transmitted between the State of Maryland and the Commonwealth of Pennsylvania, and consumed by persons other than the transmitter at points outside the state from which transmitted; and Susquehanna Transmission Company is, therefore, a public utility within the meaning of Section 203 of the Federal Power Act;

- (4) Pennsylvania Transmission Company owns electric facilities including, among others, two 220 Kv single-circuit transmission lines, approximately 15 and 18 miles in length, extending from the vicinity of the Safe Harbor Hydroelectric development at Safe Harbor, Pennsylvania, to the Pennsylvania-Maryland State line, which facilities are utilized in the transmission and sale at wholesale of electric energy transmitted between the State of Maryland and the Commonwealth of Pennsylvania, and consumed by persons other than the transmitter at points outside the state from which transmitted; and Susquehanna Transmission Company is, therefore, a public utility within the meaning of Section 203 of the Federal Power Act;
- (5) The electric facilities of Susquehanna Transmission Company and of Pennsylvania Transmission Company are operated and maintained by Pennsylvania Water & Power Company, and constitute integral parts of the transmission system of Pennsylvania Water & Power Company;
- (6) Pennsylvania Water & Power Company owns and operates facilities for the generation, transmission and sale of electric energy, and is engaged in the generation, purchase, transmission, and sale at wholesale of electric energy, which electric energy

is transmitted and sold within the Commonwealth of Pennsylvania and between the State of Maryland and the Commonwealth of Pennsylvania;

- (7) Pennsylvania Water & Power Company is a public utility within the meaning of Section 203 of the Federal Power Act by reason of ownership and operation of facilities, among others, for the transmission or sale at wholesale of electric energy transmitted from a state and consumed by persons other than the transmitter at points outside the state from which transmitted;
- • •

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Item X

4643

ITEM X.

**PENNSYLVANIA WATER & POWER COMPANY
APPLICATION FOR LICENSE
FROM
FEDERAL POWER COMMISSION
FOR
HOLTWOOD PROJECT**

May 18, 1942

(Excerpt)

[25540] (page 10)

Applicant sells power to Consolidated Gas Electric Light and Power Company of Baltimore which serves the Baltimore area and, in turn, sells a substantial amount of power to Potomac Electric Power Company for consumption in the Washington area. Holtwood energy is sold to Philadelphia Electric Company at Coatesville, Pa., and resold by Philadelphia Electric Company to the public. Pennsylvania Power & Light Company purchases Holtwood energy and resells it to the public either in the Lancaster area or in other locations of Pennsylvania Power & Light Company's territory. Edison Light and Power Company and Metropolitan Edison Company purchase Holtwood energy at York for resale [25541] (page 11) to the public in that area and in other parts of Metropolitan Edison Company's territory. Philadelphia Electric Company, Pennsylvania Power & Light Company, and Metropolitan Edison Company, in turn, tie in to the Public Service Electric and Gas Company of New Jersey system.

Holtwood energy is also sold to The Pennsylvania Railroad Company which uses the power in the operation of its electrified lines.

In coordinating the use of Applicant's power generating facilities with other hydro projects and with the steam stations of the various systems to which Applicant's power is supplied, Applicant's interconnecting primary transmission system serves not only as the interconnecting links between Applicant's plants and the various systems served by it, but also as a direct interconnection between the various power systems themselves. The amount and direction of power flow over Applicant's interconnected primary transmission system are determined by system load demands, as well as by river flow, by allocation of load to the various steam stations and by other operating conditions resulting from the most effective utilization of the diversified sources of power tied in to Applicant's interconnected primary transmission system.

Item AA

4645

ITEM AA.

Electric Utilities and Licensees

(Classes A and B).

ANNUAL REPORT

of

SAFE HARBOR WATER POWER CORPORATION

Lexington Building, Baltimore, Maryland

to the

FEDERAL POWER COMMISSION

for the

YEAR ENDED DECEMBER 31, 1945

(Excerpts)

Item BB

4647

ITEM BB.

Electric Utilities and Licensees

(Classes A and B)

ANNUAL REPORT

of

PENNSYLVANIA WATER & POWER COMPANY

Lexington Building, Baltimore, Maryland

to the

FEDERAL POWER COMMISSION

for the

YEAR ENDED DECEMBER 31, 1945

(Excerpts)

530. SALES TO OTHER ELECTRIC UTILITIES (Account 605)

1. Report below the information called for concerning sales during year to other electric utilities and to cities or other public authorities for distribution to ultimate consumers.
2. Report separately firm, dump, and other power sold to the same company. Describe the nature of any sales classified as Other Power, column (g).
3. If a fixed number of kilowatts of maximum demand is

specified in the power contract as a basis of billing to the customer this number should be shown in column (k). The number of kilowatts of maximum demand to be shown in columns (l) and (m) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (n) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

A. Summary of Sales According to Companies and Points of Delivery

Line No.	Sales to —	Associated utilities	Nonassociated utilities	Municipalities	Firm power	Dump or surplus power	Other power	Sales within State boundaries	Exports across State lines	Point of delivery (if necessary use an insert page and identify points of delivery by line numbers of this schedule)	KILOWATTS OF DEMAND		
											Contract demand	Average monthly maximum demand	Annual maximum demand
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
1	Consolidated Gas									Baltimore,			
2	Electric Light and									Takoma Park,			
3	Power Company of									Conowingo &			
4	Baltimore	x					x	x		Perryville, Md.			
5	Pennsylvania Power &									Lancaster, Pa			
6	Light Company	x			x			x					
7	Philadelphia Electric									Coatesville, Pa,	23,050	25,400	
8	Company	x			x			x					
9	Edison Light & Power									York, Pa.	24,510	27,700	
10	Company	x			x			x					
11													
12													
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33													
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35										TOTAL			

B. Summary of Sales According to Statistical Classifications

31	Associated utilities	
32	Nonassociated utilities	
33	Municipalities	
34	Firm power	
35	Dump or surplus power	
36	Other power	
37	Sales within State boundaries	
38	Exports across State lines	
	(Do not total.)	

[25567]

Item BB

4648

532. SALES TO RAILROADS AND RAILWAYS (Account 606)

1. Designate associated companies by placing an "x" in column (c).
2. If a contract covers several points of delivery and small amounts of electric energy are delivered at each point, such sales may be grouped.

Line No.	Name of railroad or railway (a)	Point of delivery (b)	Associated company (c)	Kilowatt-hours (d)	Revenue (e)	Revenue per kwh (f)
1	The Pennsylvania Railroad Company	Safe Harbor, Pa.		194,937,000	1,432,348.44	0.734
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19	TOTAL			194,937,000	1,432,348.44	0.734

533. INTERDEPARTMENTAL SALES (Account 607)

Line No.	Name of other department (a)	Basis of charge to other department (b)	Point of delivery (c)	Kilowatt-hours (d)	Revenue (e)	Revenue per kwh (f)
34						
35						
36						
37						
38						
39						
40						
41						
42	TOTAL					

534. OTHER SALES (Account 608)

Line No.	Description of other sales (a)	Point of delivery (b)	Kilowatt-hours (c)	Revenue (d)	Revenue per kwh (e)
63					
64					
65					
66					
67					
68					
69					
70					
71					
72					
73					
74					
75					
76	TOTAL				

[25571]

Item BB.

4649

551. PURCHASED POWER (Account 738)

1. Report below the information called for concerning power purchased for resale during the year.
2. All purchases from publicly owned power systems should be classified as purchases from municipalities.
3. Report separately firm, dump, and other power purchased from the same company. Describe the nature of any purchases classified as Other Power, column (i).
4. If a fixed number of kilowatts of maximum demand is

specified in the power contract as a basis of billing this number should be shown in column (m). The number of kilowatts of maximum demand to be shown in columns (n) and (o) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (p) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

A. Summary of Purchases According to Companies and Points of Receipt

Line No.	Purchased from —	Associated utilities	Nonassociated utilities	Associated nonutilities	Other nonutilities	Municipalities	Firm power	Dump or surplus power	Other power	Purchases within State boundaries	Imports across State lines	Point of receipt (Use an insert page and designate points of receipt by line numbers at this schedule)	KILOWATTS OF DEMAND		
													Contract demand	Average monthly maximum demand	Annual maximum demand
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
1	Safe Harbor Water											Safe Harbor			
2	Power Corporation		X						X	X		Pa.			
3															
4															
5															
6															
7															
8															
9															
10															
11															
12															
13															
14															
15															
16															
17															
18															
19															
20															
21															
22															
23															
24															
25															
26															
27															
28															
29															
30															
31															
	TOTAL														

B. Summary of Purchases According to Statistical Classifications

51	Associated utilities
52	Nonassociated utilities
53	Associated nonutilities
54	Other nonutilities
55	Municipalities
56	Firm power
57	Dump or surplus power
58	Other power
59	Purchases within State boundaries
60	Imports across State lines (Do not total.)

[25577]

Item BB

4650

RECORD

P.4651 - 4671

552 INTERCHANGE POWER (Account 739)

1. Report below the kilowatt-hours received and delivered during the year and the net charge or credit under interchange power agreements.
 2. All interchanges with publicly owned power systems should be classified as municipalities.
 3. Explain any amounts entered in column (s).
 4. Designate the statistical classifications applicable to each interchange listed, by placing "x's" in the appropriate columns (b) to (h).

A. Summary of Interchanges According to Companies and Points of Interchange

Line No.	Name of company	Associated utilities	Municipalities	Associated municipalities	Other municipalities	Municipalities	Interchanges within State boundaries	Interchanges across State lines	Point of interchange	Voltage at which interchanged	KILOWATT-HOURS			Amount of settlement
											Received	Delivered	Net difference	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
1	Phila. Electric Co.	X					(A)	Perryville, Md	132,000 & 12,000	2,680,000	23,730,000	(21,050,000)	(95,539 39)	
2	Phila. Electric Co.	X					(A)	Thorndale, Pa.	132,000 & 12,000	6,086,000	32,638,000	(26,552,000)	(120,718 71)	
3	Pa. Power & Light Co.	X						Harrisburg, Pa.	66,000	6,053,000	63,343,000	(57,290,000)	(247,204 30)	
4	Metropolitan Ed. Co.	X						Violet Hill, Pa.	66,000 & 13,200	1,232,000	81,548,000	(80,316,000)	(348,671 37)	
5	TOTAL									16,051,000	201,259,000	(185,208,000)	(812,133 77)	

- (A) In the report of these transactions the kilowatt hours shown as delivered were delivered to the Pennsylvania Railroad Company for the account of the Philadelphia Electric Company and the kilowatt hours reported received were kilowatt hours delivered to the Pennsylvania Railroad Company by the Philadelphia Electric Company System for the account of Respondent. Deliveries were not at a point of connection between Railroad Company and the power was used by the said Railroad on its lines.
 (B) Settlement for special transformer facilities.
 (C) The above data comprehend only economy and as there is no demand associated with this type of energy, no demand charge can be reported.

Line No.	Name of company	Remarks	Demand charges	Energy charges	Other charges	Total settlement
(a)	(b)	(c)	(d)	(e)	(f)	(g)
41	Phila. Electric Co.			(216,258 10)		(216,258 10)
42	Pa. Power & Light Co.			(247,204 30)		(247,204 30)
43	Metropolitan Ed. Co.			(348,455 93)	(B) (265 44)	(348,671 37)
44						
45						
46						
47						
48						
49						
50	TOTAL	(C)		(811,868 33)	(265 44)	(812,133 77)

Page 4652 is blank.

Item HH

4653

ITEM HH.

1945

POWER SYSTEM STATEMENT

From

PENNSYLVANIA WATER & POWER COMPANY

(Including Safe Harbor Water Power Corporation)

LEXINGTON BUILDING, BALTIMORE-3, MARYLAND

Covering

HOLTWOOD-SAFE HARBOR SYSTEM

to the

FEDERAL POWER COMMISSION

(Excerpts)

[25751]

Reference: Schedule 8, Column 4, Lines 12-16, Incl. Page 19

The Respondents, under long-term contracts (copies of which are on file with the Commission) agree to deliver to Consolidated Gas Electric Light and Power Company of Baltimore all power generated at the Safe Harbor hydroelectric development on the Sasquehanna River and at the Holtwood hydroelectric and steam electric plants, except such power as may be sold by Pennsylvania Water & Power Company to its other (firm) customers.

The net hourly amounts of kilowatthours shown in column 6, line 14, as actually delivered to Consolidated Gas Electric Light and Power Company of Baltimore, would have been materially increased if the energy available to Baltimore Company had actually been delivered rather than resold in part by Pennsylvania Water & Power Company as economy interchange to others, such interchange sales resulting in a diversion of energy from Baltimore Company.

Similarly, the net hourly amounts of kilowatthours shown in column 5, line 14, as received from Consolidated Gas Electric Light and Power Company of Baltimore, would have been increased.

In actual operating practice, energy is diverted by Respondents and delivered by Pennsylvania Water & Power Company over its northern interconnections to others whenever interchange transactions are practicable and economically justified, i. e., whenever the cost of increased generation at the steam plants on Consolidated Gas Electric Light and Power Company's or Potomac Electric Power Company's systems is lower than the cost of power generation on other plants on the interconnected systems. In the actual accounting for interchange transactions by Pennsylvania Water & Power Company [25752] (page 2) such energy is considered to have come from the Baltimore and/or Washington steam plants. Similarly, Pennsylvania

Water & Power Company purchases interchange power, the effect of which is to reduce steam generation in Baltimore and Washington.

[25756]

Reference: Schedule 13D Line 21

The portion of the hourly load supplied to the Pennsylvania Railroad in Maryland by the respondent for the account of the Consolidated Gas Electric Light and Power Company is not included in this item as hourly load allocations are not measured. The total supply to the Pennsylvania Railroad in both Maryland and Pennsylvania is included in Line 23 below.

Reference: Schedule 13E Line 23

This item includes the joint supply to the Pennsylvania Railroad by the respondent and the Consolidated Gas Electric Light and Power Company and also the Holtwood-Safe Harbor System transmission losses and station uses.

Page 4655 is blank.

Item RR

4656

ITEM RR.

Electric Utilities and Licensees

(Classes A and B)

ANNUAL REPORT

of

SAFE HARBOR WATER POWER CORPORATION

Lexington Building, Baltimore, Maryland

to the

FEDERAL POWER COMMISSION

for the

YEAR ENDED DECEMBER 31, 1946

(Excerpts)

525. ELECTRIC OPERATING REVENUES (Account 501)

1. Report below the amount of operating revenue for the year for each prescribed account and the amount of increase or decrease over the preceding year.

2. If increases and decreases are not derived from previously reported figures explain any inconsistencies.

3. Number of customers should be reported on the basis of number of meters, plus number of flat rate accounts, except that where separate meter readings are added for billing purposes, one customer shall be counted for each group of meters

so added. The average number of customers means the average of the 12 figures at the close of each month.

4. Unmetered sales should be included below. The details of such sales should be given in a footnote.

Line No.	Account	OPERATING REVENUES		KILOWATT-HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH	
		Amount for year (b)	Increase or decrease from preceding year (c)	Amount for year (d)	Increase or decrease from preceding year (e)	Number for year (f)	Increase or decrease from preceding year (g)
	SALES OF ELECTRIC ENERGY	x x x x x	x x x x x x x				
1	(600) Residential or domestic sales						
2	(601) Rural sales						
3	(602) Commercial and industrial sales						
4	(603) Public street and highway lighting						
5	(604) Other sales to public authorities						
6	(605) Sales to other electric utilities	3,041,733.82	(653,583.59)	876,968,000	(360,569,000)	4	(1)
7	(606) Sales to railroads and railways					1	
8	(607) Interdepartmental sales						
9	(608) Other sales						
10							
11							
12							
13							
14	TOTAL SALES OF ELECTRIC ENERGY	3,041,733.82	(653,583.59)	876,968,000	(360,569,000)	5	(1)
15	OTHER ELECTRIC REVENUES	x x x x x	x x x x x x x				
16	(610) Rent from electric property	562.60	394.60	Lines 7 and 8 - Cols. (b), (c), (d) and (e)			
17	(611) Interdepartmental rents			See Pages 512-513 (Schedule 530) and notes pertaining to Lines 3, 5, 7 and 9.			
18	(612) Consumers' forfeited disc. and penalties						
19	(613) Sales of water and water power						
20	(614) Servicing of customers' installations						
21	(615) Miscellaneous electric revenues						
22							
23							
24							
25	TOTAL OTHER ELECTRIC REVENUES	562.60	394.60				
26	TOTAL ELECTRIC OPERATING REVENUES	3,042,296.42	(653,188.99)				

Annual Report of ALABAMA WATER POWER CORPORATION 1946

530. SALES TO OTHER ELECTRIC UTILITIES (Account 605)

1. Report below the information called for concerning sales during year to other electric utilities and to cities or other public authorities for distribution to ultimate consumers.

2. Report separately firm, dump, and other power sold to the same company. Describe the nature of any sales classified as Other Power, column (g).

3. If a fixed number of kilowatts of maximum demand is

specified in the power contract as a basis of billing to the customer this number should be shown in column (k). The number of kilowatts of maximum demand to be shown in columns (l) and (m) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (n) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

A. Summary of Sales According to Companies and Points of Delivery

Line No.	Sales to—	Associated utilities	Nonassociated utilities	Municipalities	Firm power	Dump or surplus power	Other power	Sales within State boundaries	Exports across State lines	Point of delivery (If necessary use an insert page and identify points of delivery by line numbers of this schedule)	KILOWATTS OF DEMAND		
											Contract demand	Average monthly maximum demand	Annual maximum demand
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Consolidated Gas												
2	Electric Light and												
3	Power Company of												
4	Baltimore		x				x	x		Safe Harbor, Pa.			
5	Pennsylvania Power &									" "	"		
6	Light Company		x		x			x		" "	"		
7	Philadelphia Electric									" "	"		
8	Company		x		x			x		" "	"		
9	Pennsylvania Water									" "	"		
10	& Power Company		x				x	x		" "	"		
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
21													
22													
23													
24													
25													
26													
27													
28													
29													
30													
31													
32													
33													
34													
35										TOTAL			

B. Summary of Sales According to Statistical Classifications

36	Associated utilities	
37	Nonassociated utilities	
38	Municipalities	
39		
40	Firm power	
41	Dump or surplus power	
42	Other power	
43		
44	Sales within State boundaries	
45	Exports across State lines	
46	(Do not total)	

[25849]

Item RR

4658

SAFE HARBOR WATER POWER CORPORATIONSALES TO OTHER ELECTRIC UTILITIES (Account 605)Line 3 - Col. (p)

The energy shown was the metered (net hourly basis) supply^o by Respondent to the 220,000 volt transmission facilities of Pennsylvania Water & Power Company at Safe Harbor, Pa. for delivery by Pennsylvania Water & Power Company to Consolidated Gas Electric Light and Power Company of Baltimore at or near Baltimore, Maryland, and to the Potomac Electric Power Company near Takoma Park, Maryland for Consolidated Gas Electric Light and Power Company of Baltimore (Such delivery involved transmission losses of 7,041,000 kwh.)

Line 3 - Cols. (s), (t) and (u)

The revenue was independent of the amounts or proportion of electric services supplied. It included compensation in part for Respondent's services to the Pennsylvania Railroad under a contract between The Pennsylvania Railroad Company, Consolidated Gas Electric Light & Power Company of Baltimore, Pennsylvania Water & Power Company, Potomac Electric Power Company and Respondent. It did not include any cost of Pennsylvania Water & Power Company for the transmission facilities used or for the services rendered in connection with the delivery of electric services from Safe Harbor, Pa. to the Consolidated Gas Electric Light and Power Company of Baltimore at or near Baltimore, Maryland and the Potomac Electric Power Company near Takoma Park, Maryland.

Lines 5, 7 and 9 - Col. (p)

The energy shown was the metered (net hourly basis) supply by Respondent to Pennsylvania Water & Power Company, in part for its own use and in part for joint services by Respondent and Pennsylvania Water & Power Company under certain power supply contracts (including such services to the Pennsylvania Railroad shown on Page 514 (Schedule 532)).

Lines 5, 7 and 9 - Cols. (s), (t) and (u)

The revenue was independent of the amounts or proportion of electric services supplied. It included compensation for Respondent's services, to Pennsylvania Power & Light Company and Philadelphia Electric Company under joint power supply contracts with Pennsylvania Water & Power Company, and in part for Respondent's services to the Pennsylvania Railroad under a contract between The Pennsylvania Railroad Company, Consolidated Gas Electric Light and Power Company of Baltimore, Pennsylvania Water & Power Company, Potomac Electric Power Company, and Respondent.

[25850]

Item RR

4659

530. SALES TO OTHER ELECTRIC UTILITIES (Account 605) — Continued

4. The number of kilowatt-hours sold should be the quantities shown by the bills rendered to the purchasers.

5. Explain any amounts entered in column (i).

6. Provision is made in this schedule for summarizing the sales according to certain statistical classifications. For each of the sales reported designate the several statistical classifications applicable thereto by placing "x's" in the appropriate

columns (b) to (i). Each sales item will appear in more than one classification. Summarize the total sales in section B, according to the several statistical classifications.

7. If a contract covers several points of delivery and small amounts of electric energy are delivered at each point, such sales may be grouped.

A. Summary of Sales According to Companies and Points of Delivery — Continued

Type of demand reading	Voltage at which delivered	Kilowatt-hours	REVENUE				Revenue per kWh	Line No.
			Demand charges	Energy charges	Other charges	Total		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	220,000	293,797,000		2,025,233.03		2,025,233.03		1
	66,000							2
	66,000							3
	13,000							4
	66,000	583,171,000		1,016,500.79		1,016,500.79		5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
XXXXXXXXXX	XXXXXX	876,968,000		3,041,733.82		3,041,733.82		33

B. Summary of Sales According to Statistical Classifications — Continued

	876,968,000		3,041,733.82	3,041,733.82				51
								52
								53
								54
								55
								56
	876,968,000		3,041,733.82	3,041,733.82				57
								58

[25851]

Item RR

4660

532. SALES TO RAILROADS AND RAILWAYS (Account 606)

1. Designate associated companies by placing an "x" in column (c).
 2. If a contract covers several points of delivery and small amounts of electric energy are delivered at each point, such sales may be grouped.

Line No.	Name of railroad or railway (a)	Point of delivery (b)	Associated company (c)	Kilowatt-hours (d)	Revenue (e)	Revenue per kwh (f)
1	The Pennsylvania Rail-	Safe Harbor, Pa.		320,344,000	See Note	
2	road Company					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
TOTAL				320,344,000		

533. INTERDEPARTMENTAL SALES (Account 607)

Line No.	Name of other department (a)	Base of charge to other department (b)	Point of delivery (c)	Kilowatt-hours (d)	Revenue (e)	Revenue per kwh (f)
34						
35						
36						
37						
38						
39						
40						
41						
42						
TOTAL						

534. OTHER SALES (Account 608)

Line No.	Description of other sales (a)	Point of delivery (b)	Kilowatt-hours (c)	Revenue (d)	Revenue per kwh (e)
63					
64					
65					
66					
67					
68					
69					
70					
71					
72					
73					
74					
75					
76					
TOTAL					

[25852]

Item RR

4661

514-A

[25853]

Item RR

SAFE HARBOR WATER POWER CORPORATION

532 SALES TO RAILROADS AND RAILWAYS (Account 606)

Line 2 - Col. (d)

The energy shown was supplied jointly by Respondent and Pennsylvania Water & Power Company. This energy was included in the energy shown in Line 9 Col. (p) of Page 513 (Schedule 530).

Line 2 - Cols. (e) and (f)

Respondent received directly no division of the total revenue received by Consolidated Gas Electric Light and Power Company of Baltimore acting for itself and as agent for others including Respondent. Respondent's revenues for such service are included in the amount set forth in Schedule 530. See notes to Lines 3, 5, 7 and 9, Columns (s), (t) and (u) of that Schedule.

4662

552. INTERCHANGE POWER (Account 739)

1. Report below the kilowatt-hours received and delivered during the year and the net charge or credit under interchange power agreements.
 2. All interchanges with publicly owned power systems should be classified as municipalities.
 3. Explain any amounts entered in column (s).
 4. Designate the statistical classifications applicable to each interchange listed, by placing "x's" in the appropriate column's (b) to (h).

A. Summary of Interchanges According to Companies and Points of Interchange

Line No.	Name of company	Associated utilities (b)	Nonassociated utilities (c)	Associated nonutilities (d)	Other nonutilities (e)	Municipalities (f)	Interchanges within State boundaries (g)	Interchanges across State lines (h)	Point of interchange (i)	Voltage at which interchanged (j)	KILOWATT-HOURS			Amount of settlement (n)
											Received (k)	Delivered (l)	Net difference (m)	
1	Pennsylvania Power & Light Company	X					X		Safe Harbor, Pa.	66,000		51,192,000		See Note
9	TOTAL											51,192,000		

B. Summary of Interchanges According to Statistical Classifications

21	Associated utilities										51,192,000			
22	Nonassociated utilities													
23	Associated nonutilities													
24	Other nonutilities													
25	Municipalities													
26	Interchanges within State boundaries										51,192,000			
27	Interchanges across State lines													
28	(Do not total.)													

C. Details of Settlement for Interchange Power

Line No.	Name of company (o)	Remarks (p)	Demand charges (q)	Energy charges (r)	Other charges (s)	Total settlement (t)
41						
42						
43						
44						
45						
46						
47						
48						
49	TOTAL					

524-A

[25857]

Item RR

SAFE HARBOR WATER POWER CORPORATION

552-INTERCHANGE POWER (Account 739)

Line 2 - Cols. (l) and (n)

The energy shown was sold under a joint power supply contract by Respondent and Pennsylvania Water & Power Company. The energy shown in Col. (l) was included in the energy shown in Line 9 Col. (p) on Page 513 (Schedule 530) and Respondent's compensation for such services was included in the revenues shown in Line 9 Col. (s) of the same schedule.

4664

575. ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, and interchanged during the year.

Line No.	Item (a)	Kilowatt-hours (b)
1	ENERGY GENERATED, PURCHASED, AND INTERCHANGED	XXXXXXXXXXXX
2	Generation (excluding station use):	XXXXXXXXXXXX
3	Steam.....	
4	Hydro.....	876,968,000
5	Internal combustion engine.....	
6	Total generation.....	876,968,000
7	Purchases.....	
8	Interchanges — In (gross).....	
9	TOTAL ENERGY GENERATED, PURCHASED, AND INTERCHANGED	876,968,000
10	DISPOSITION OF ENERGY GENERATED, PURCHASED, AND INTERCHANGED	XXXXXXXXXXXX
11	Sales (excluding interdepartmental sales..... None..... kwh).....	876,968,000
12	Interchanges — Out (gross).....	
13	Energy furnished without charge.....	
14	Energy used by the company (excluding station use):	XXXXXXXXXXXX
15	Electric utility.....	
16	Gas utility.....	
17	Other utility departments:	XXXXXXXXXXXX
18	1.	
19	2.	
20	3.	
21	Common (office, shops, garages, etc. serving two or more utility departments).....	
22	Total energy used by the company.....	
23	Energy losses:	XXXXXXXXXXXX
24	Transmission and conversion losses.....	
25	Distribution losses.....	
26	Unaccounted for losses.....	
27	Total energy losses.....	
28	(..... percent of total energy generated, purchased, and interchanged).....	XXXXXXXXXXXX
29	TOTAL DISPOSITION OF ENERGY GENERATED, PURCHASED, AND INTERCHANGED	876,968,000

577. MONTHLY PEAKS AND OUTPUT

1. Report hereunder the information called for pertaining to simultaneous peaks established monthly (in kilowatts) and monthly output (in kilowatt-hours) for the combined sources of electric energy of respondent.

2. The monthly peak should be the maximum simultaneous load on generating stations and other sources of supply.

3. State type of monthly peak reading (instantaneous, 15, 30, or 60 minutes integrated).

4. The monthly output should correspond with the total energy generated, purchased, and interchanged-in, per line 9 of Schedule 575 above.

5. If the respondent has two or more power systems not physically connected, the information called for below should be furnished for each system.

Line No.	Month	Gross Generated Peaks		MONTHLY PEAK			Monthly output (kwh)
	(a)	Kilowatts (b)	Day of week (c)	Day of month (d)	Hour (e)	Type of reading (f)	(g)
41	January.....	235,000	Wed.	16	8 a.m.	60 Min. Integ.	110,503,000
42	February.....	194,000	Fri.	1	9 a.m.	" " "	47,130,000
43	March.....	236,000	Sat.	23	6 p.m.	" " "	162,853,000
44	April.....	219,000	Wed.	3	2 p.m.	" " "	61,196,000
45	May.....	234,000	Sat.	25	9 a.m.	" " "	97,798,000
46	June.....	238,000	Sun.	9	7 a.m.	" " "	138,373,000
47	July.....	219,000	Fri.	5	7 p.m.	" " "	56,376,000
48	August.....	182,000	Fri.	9	11 a.m.	" " "	48,352,000
49	September.....	147,000	Tue.	24	10 a.m.	" " "	18,599,000
50	October.....	212,000	Thu.	31	10 a.m.	" " "	60,762,000
51	November.....	201,000	Mon.	18	6 p.m.	" " "	40,620,000
52	December.....	213,000	Fri.	27	6 p.m.	" " "	34,406,000

[25858]

Item RR

4665

531-A

[25859]

1946

SAFE HARBOR WATER POWER CORPORATION

575 - ELECTRIC ENERGY ACCOUNT

Item RB

Line 4 - Col. (b)

1946 was a year of approximately average river flow. The gross generation of Respondent's hydro plant was approximately 3,600,000 kwh. above that expected with average river flow.

4666

Item SS

4667

ITEM SS.

Electric Utilities and Licensees

(Classes A and B)

ANNUAL REPORT

of

PENNSYLVANIA WATER & POWER COMPANY

Lexington Building, Baltimore, Maryland

to the

FEDERAL POWER COMMISSION

for the

YEAR ENDED DECEMBER 31, 1946

(Excerpts)

025. ELECTRIC OPERATING REVENUES (Account 501)

1. Report below the amount of operating revenue for the year for each prescribed account and the amount of increase or decrease over the preceding year.

2. If increases and decreases are not derived from previously reported figures explain any inconsistencies.

3. Number of customers should be reported on the basis of number of meters, plus number of flat rate accounts, except that where separate meter readings are added for billing purposes, one customer shall be counted for each group of meters

so added. The average number of customers means the average of the 12 figures at the close of each month.

4. Unmetered sales should be included below. The details of such sales should be given in a footnote.

Line No.	Account	OPERATING REVENUES		KILOWATT-HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH	
		Amount for year (b)	Increase or decrease from preceding year (c)	Amount for year (d)	Increase or decrease from preceding year (e)	Number for year (f)	Increase or decrease from preceding year (g)
1	SALES OF ELECTRIC ENERGY	x x x x x x	x x x x x x x x				
2	(600) Residential or domestic sales						
3	(601) Rural sales						
4	(602) Commercial and industrial sales						
5	(603) Public street and highway lighting						
6	(604) Other sales to public authorities						
7	(605) Sales to other electric utilities	4,679,623 18	(805,954 42)	924,710,000	(91,167,000)	4	-
8	(606) Sales to railroads and railways	1,625,575 45	193,227 01	320,344,000	(57,515,000)	1	-
9	(607) Interdepartmental sales						
10	(608) Other sales						
11							
12							
13							
14	TOTAL SALES OF ELECTRIC ENERGY	6,305,198 63	(612,727 41)	1,245,054,000	(148,682,000)	5	-
15	OTHER ELECTRIC REVENUES	x x x x x x	x x x x x x x x	Line 7 Col's. (b), (c), (d) and (e) See Pages 512-513 (Schedule 530) and notes pertaining to Lines 3, 5 and 7.			
16	(610) Rent from electric property	34 65	34 65	Line 8 Col's. (b), (c), (d) and (e) See Page 514 (Schedule 532) and notes pertaining to Line 2.			
17	(611) Interdepartmental rents						
18	(612) Consumers' forfeited disc. and penalties						
19	(613) Sales of water and water power						
20	(614) Servicing of customers' installations						
21	(615) Miscellaneous electric revenues	133,750 00					
22							
23							
24							
25	TOTAL OTHER ELECTRIC REVENUES	133,784 65	34 65				
26	TOTAL ELECTRIC OPERATING REVENUES	6,438,983 28	(612,692 76)				

530. SALES TO OTHER ELECTRIC UTILITIES (Account 605)

1. Report below the information called for concerning sales during year to other electric utilities and to cities or other public authorities for distribution to ultimate consumers.

2. Report separately firm, dump, and other power sold to the same company. Describe the nature of any sales classified as Other Power, column (g).

3. If a fixed number of kilowatts of maximum demand is

specified in the power contract as a basis of billing to the customer this number should be shown in column (k). The number of kilowatts of maximum demand to be shown in columns (l) and (m) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (n) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

A. Summary of Sales According to Companies and Points of Delivery

Line No.	Sales to —	Associated utilities	Nonassociated utilities	Municipalities	Firm power	Dump or surplus power	Other power	Sales within State boundaries	Exports across State lines	Point of delivery (If necessary use an insert page and identify points of delivery by line numbers of this schedule)	KILOWATTS OF DEMAND		
											Contract demand	Average monthly maximum demand	Annual maximum demand
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Consolidated Gas, Electric Light and									Baltimore and			
2	Power Company of									Takoma Park,			
3	Baltimore		X				X		X	Maryland			
4	Pennsylvania Power &									Lancaster, Pa.			
5	Light Company		X		X			X					
6	Philadelphia Electric									Coatesville, Pa.		23,200	26,300
7	Company		X		X			X					
8	Metropolitan Edison												
9	Company and Edison												
10	Light and Power												
11	Company		X		X			X		York, Pa.		21,830	23,000
12													
13													
14													
15													
16													
17													
18													
19													
20													
21													
22													
23													
24													
25													
26													
27													
28													
29													
30													
31													
32													
33													
34													
35										TOTAL			

B. Summary of Sales According to Statistical Classifications

51	Associated utilities
52	Nonassociated utilities
53	Municipalities
54	Firm power
55	Dump or surplus power
56	Other power
57	Sales within State boundaries
58	Exports across State lines (Do not total)

[25861]

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4669

PENNSYLVANIA WATER & POWER COMPANY 1946

530 - Sales to Other Electric Utilities (Account 605)

Line 3 Col. (p)

This energy was supplied by Respondent to Consolidated Gas Electric Light and Power Company of Baltimore as follows: At Highlandtown Substation, Baltimore, Maryland 376,681,000 kwh.; by the 132,000 volt 25-cycle single phase facilities of Respondent and the Pennsylvania Railroad Company, 14,766,000 kwh.; and by Respondent's 220,000 volt transmission facilities between Safe Harbor, Baltimore and Takoma Park, Maryland, 459,000 kwh. Such supply was in addition to the electric services received by Respondent from Safe Harbor Water Power Corporation for delivery to Consolidated Gas Electric Light and Power Company of Baltimore.

The Respondent, under a long term contract, delivers to Consolidated Gas Electric Light and Power Company of Baltimore all power and energy available to Respondent from its hydro-electric and steam-electric plants and from the Safe Harbor hydroelectric development, except such power and energy as may be furnished to its other customers. The kilowatts shown were the metered (net hourly basis) supplied by Respondent.

Line 3 Cols. (s), (t) and (u)

The revenue was independent of the amount of power and energy supplied by Respondent. It included charges for various special facilities provided for the exclusive or joint use of Baltimore Company; it included compensation for services rendered other than the supply of power and energy from the Holtwood Power Development of Respondent and such revenue also included settlement for Baltimore Company's backfeed services rendered to Respondent. Consequently, any unit average charge (Col. u) is meaningless. The charges for special facilities include the operating and fixed costs of the 220,000 volt transmission system of Respondent and its wholly owned subsidiary between Safe Harbor, Baltimore and Takoma Park; of the 110,000 volt transmission line between Baltimore and Gunpowder Falls, Md.; and of other facilities provided for the exclusive or joint use of Baltimore Company.

The compensation for electric services rendered by Respondent, other than from the Holtwood power plants, included interchange transactions by Respondent with other customers, and in part for Respondent's services to the Pennsylvania Railroad not otherwise compensated for through the divisions of revenue received from Baltimore Company, acting as agent for Respondent and others. (See Note Page 514 (Schedule 532), Line 2, Column (e).)

Line 5 and 7 Col. (p)

The energies shown were supplied jointly by Respondent and Safe Harbor Water Power Corporation under certain power supply contracts.

[25862]

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4670

[25863]

Pinnd Wtr & Pwr Co 1946

513-a

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Item SS

Lines 5 and 7 Cols. (q), (r), (s) and (t)

The revenues shown were received by Respondent acting for itself and as agent for Safe Harbor Water Power Corporation.

4671

SALES TO OTHER ELECTRIC UTILITIES (Account 60) — Continued

4. The number of kilowatt-hours sold should be the quantities shown by the bills rendered to the purchasers.
5. Explain any amounts entered in column (a).
6. Provision is made in this schedule for summarizing the sales according to certain statistical classifications. For each of the sales reported designate the several statistical classifications applicable thereto by placing "x's" in the appropriate

columns (b) to (i). Each sales item will appear in more than one classification. Summarize the total sales in section B, according to the several statistical classifications.

7. If a contract covers several points of delivery and small amounts of electric energy are delivered at each point, such sales may be grouped.

A. Summary of Sales According to Companies and Points of Delivery — Continued

Type of demand reading	Voltage at which delivered	Kilowatt-hours	REVENUE				Revenue per kw-hr	Line No.
			Demand charges	Energy charges	Other charges	Total		
(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	
	13,000							1
	220,000	391,906,000			1,104,951.85	1,104,951.85		2
	66,000	308,569,000		1,956,934.73	1,420,921.85	1,958,355.65	0.639	3
30 Min. Integ.	66,000	135,629,000	313,998.75	574,862.20	60,000.00	948,860.95	0.700	4
								5
60 Min. Integ.	66,000	88,606,000	327,500.00	308,042.66	31,912.07	667,454.73	0.753	6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
								18
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								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
*****	*****	924,710,000	641,498.75	2,839,839.59	1,982,841.84	4,679,623.18		32

B. Summary of Sales According to Statistical Classifications — Continued

	924,710,000	641,498.75	2,839,839.59	1,982,841.84	4,679,623.18		33
							34
	532,804,000	641,498.75	2,839,839.59	93,332.99	3,574,671.33	0.671	35
							36
	391,906,000				1,104,951.85	1,104,951.85	37
							38
	532,804,000	641,498.75	2,839,839.59	93,332.99	3,574,671.33	0.671	39
							40
	391,906,000				1,104,951.85	1,104,951.85	41

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4672

532. SALES TO RAILROADS AND RAILWAYS (Account 606)

1. Designate associated companies by placing an "x" in column (c).
2. If a contract covers several points of delivery and small amounts of electric energy are delivered at each point, such sales may be grouped.

Line No.	Name of railroad or railway (a)	Point of delivery (b)	Associated company (c)	Kilowatt-hours (d)	Revenue (e)	Revenue per kWh (f)
1	The Pennsylvania	Safe Harbor, Fishing				
2	Railroad	Creek, Conowingo.				
3	Company	and Perryville		320,344,000	1,625,575.45	
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
			TOTAL	320,344,000	1,625,575.45	

533. INTERDEPARTMENTAL SALES (Account 607)

Line No.	Name of other department (a)	Basis of charge to other department (b)	Point of delivery (c)	Kilowatt-hours (d)	Revenue (e)	Revenue per kWh (f)
34						
35						
36						
37						
38						
39						
40						
41						
42						
			TOTAL			

534. OTHER SALES (Account 608)

Line No.	Description of other sales (a)	Point of delivery (b)	Kilowatt-hours (c)	Revenue (d)	Revenue per kWh (e)
53					
54					
55					
56					
57					
58					
59					
60					
61					
62					
63					
64					
65					
66					
67					
68					
69					
70					
71					
72					
73					
74					
75					
76					
			TOTAL		

125865]

Item SS

4673

575. ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, and interchanged during the year.

Line No.	Item (a)	Kilowatt-hours (b)
1	ENERGY GENERATED, PURCHASED, AND INTERCHANGED	XXXXXXXXXXXX
2	Generation (excluding station use):	XXXXXXXXXXXX
3	Steam.....	166,112,000
4	Hydro.....	592,689,000
5	Internal combustion engine.....	
6	Total generation.....	758,801,000
7	Purchases.....	583,171,000
8	Interchanges — in (gross).....	172,242,000
9	TOTAL ENERGY GENERATED, PURCHASED, AND INTERCHANGED	1,514,214,000
10	DISPOSITION OF ENERGY GENERATED, PURCHASED, AND INTERCHANGED	XXXXXXXXXXXX
11	Sales (excluding interdepartmental sales) Net (kwh).....	1,245,054,000
12	Interchanges — Out (gross).....	204,424,000
13	Energy furnished without charge.....	
14	Energy used by the company (excluding station use):	XXXXXXXXXXXX
15	Electric utility.....	
16	Gas utility.....	
17	Other utility departments:	XXXXXXXXXXXX
18	1.	
19	2.	
20	3.	
21	Common (office, shops, garages, etc. serving two or more utility departments).....	
22	Total energy used by the company.....	
23	Energy losses: Substation	XXXXXXXXXXXX
24	Transmission and conversion losses.....	64,736,000
25	Distribution losses.....	
26	Unaccounted for losses.....	
27	Total energy losses.....	64,736,000
28	(Percent of total energy generated, purchased, and interchanged).....	XXXXXXXXXXXX
29	TOTAL DISPOSITION OF ENERGY GENERATED, PURCHASED, AND INTERCHANGED	1,514,214,000

577. MONTHLY PEAKS AND OUTPUT

1. Report hereunder the information called for pertaining to simultaneous peaks established monthly (in kilowatts) and monthly output (in kilowatt-hours) for the combined sources of electric energy of respondent.

2. The monthly peak should be the maximum simultaneous load on generating stations and other sources of supply.

3. State type of monthly peak reading (instantaneous, 15, 30, or 60 minutes integrated).

4. The monthly output should correspond with the total energy generated, purchased, and interchanged-in, per line 9 of Schedule 575 above.

5. If the respondent has two or more power systems not physically connected, the information called for below should be furnished for each system.

Line No.	Month	Combined Hydro and Steam Gross Generated Peaks	MONTHLY PEAK				Monthly output (kwh)
	(a)	Kilowatts (b)	Day of week (c)	Day of month (d)	Hour (e)	Type of reading (f)	(g)
41	January.....	122,000	Tues.	8	2 p.m.	60 Min. Integ	144,553,000
42	February.....	127,000	Thur.	28	8 p.m.	" " "	100,123,000
43	March.....	135,000	Sat.	9	5 p.m.	" " "	177,509,000
44	April.....	130,000	Sat.	6	1 a.m.	" " "	118,995,000
45	May.....	137,000	Wed.	22	5 p.m.	" " "	138,439,000
46	June.....	135,000	Fri.	14	8 p.m.	" " "	158,625,000
47	July.....	134,000	Sun.	7	2 a.m.	" " "	114,205,000
48	August.....	133,000	Fri.	9	9 p.m.	" " "	113,761,000
49	September.....	113,000	Tues.	24	3 p.m.	" " "	91,287,000
50	October.....	134,000	Wed.	30	4 p.m.	" " "	135,536,000
51	November.....	130,000	Mon.	4	8 p.m.	" " "	115,213,000
52	December.....	128,000	Tues.	10	7 p.m.	" " "	105,968,000

[25872]

Item SS

4681

514a

[25866]

PENNSYLVANIA WATER & POWER COMPANY 1946

532 - Sales to Railroads and Railways (Account 606)

Line 2 Col. (d)

The energy shown was supplied jointly by Respondent and Safe Harbor Water Power Corporation.

Line 2 Cols. (e) and (f)

The revenue shown was Respondent's division of \$3,434,731.07 total revenue received from The Pennsylvania Railroad Company by Consolidated Gas Electric Light and Power Company of Baltimore acting for itself and as agent for others including Respondent and Safe Harbor Water Power Corporation. Such division was independent of the actual services supplied (including other services in addition to power and energy) by Respondent and Safe Harbor Water Power Corporation.

Item SS

4674

551. PURCHASED POWER (Account 738)

1. Report below the information called for concerning power purchased for resale during the year.
2. All purchases from publicly owned power systems should be classified as purchases from municipalities.
3. Report separately firm, dump, and other power purchased from the same company. Describe the nature of any purchases classified as Other Power, column (i).
4. If a fixed number of kilowatts of maximum demand is

specified in the power contract as a basis of billing this number should be shown in column (m). The number of kilowatts of maximum demand to be shown in columns (n) and (o) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (p) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

A. Summary of Purchases According to Companies and Points of Receipt

Line No.	Purchased from —	Associated utilities	Nonassociated utilities	Associated nonutilities	Other nonutilities	Municipalities	Firm power	Dump or surplus power	Other power	Purchases within State boundaries	Imports across State lines	Point of receipt (Use an insert page and designate points of receipt by line numbers of this schedule)	KILOWATTS OF DEMAND		
													Contract demand	Average monthly maximum demand	Annual maximum demand
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
1	Safe Harbor Water											Safe			
2	Power Corporation		x						x	x		Harbor, Pa.			
3															
4															
5															
6															
7															
8															
9															
10															
11															
12															
13															
14															
15															
16															
17															
18															
19															
20															
21															
22															
23															
24															
25															
26															
27															
28															
29															
30															
31															
32															
33															
TOTAL															

B. Summary of Purchases According to Statistical Classifications

51	Associated utilities	
52	Nonassociated utilities	
53	Associated nonutilities	
54	Other nonutilities	
55	Municipalities	
56	Firm power	
57	Dump or surplus power	
58	Other power	
59	Purchases within State boundaries	
60	Imports across State lines	
(Do not total)		

[25867]

Item SS

4675

PENNSYLVANIA WATER & POWER COMPANY

1446

522-a

551 - Purchased Power (Account 738)

[25868]

Line 2 Col. (r)

The energy shown was the metered (net hourly basis) supply by Safe Harbor Water Power Corporation to Respondent in part for Respondents own use and in part for joint supply by Respondent and Safe Harbor Water Power Corporation under certain power supply contracts.

Item SS

Line 2 Cols. (u), (v) and (w)

The payments were independent of the amounts or proportion of electric services received. It included compensation for Safe Harbor Water Power Corporation's services rendered jointly with Respondent to Pennsylvania Power & Light Company and Philadelphia Electric Company under certain power supply contracts and in part for Safe Harbor Water Power Corporation's services rendered jointly with Consolidated Gas Electric Light and Power Company of Baltimore, Potomac Electric Power Company and Respondent to The Pennsylvania Railroad Company.

4676

551. PURCHASED POWER (Account 735) — Continued

5. The number of kilowatt hours purchased should be the quantities shown by the power bills.

6. Explain any amounts entered in column (u).

7. Provision is made in this schedule to summarize power purchases according to certain statistical classifications. For

each of the purchases reported, designate the several statistical classifications applicable thereto by placing "x's" in the appropriate columns (b) to (k). Each purchase will appear in more than one classification. In section B summarize the total purchases according to the several statistical classifications.

A. Summary of Purchases According to Companies and Points of Receipt — Continued

Type of demand reading	Voltage at which received	Kilowatt-hours	COST OF ENERGY				Cost per kWh	Line No.
			Demand charges	Energy charges	Other charges	Total		
(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	
	13,000							1
	66,000	583,171,000			1,016,500.79	1,016,500.79		2
								3
								4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
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								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
*****	*****	583,171,000			1,016,500.79	1,016,500.79		30
								33

B. Summary of Purchases According to Statistical Classifications — Continued

	583,171,000			1,016,500.79	1,016,500.79		31
							32
							33
							34
							35
							36
	583,171,000			1,016,500.79	1,016,500.79		37
							38
	583,171,000			1,016,500.79	1,016,500.79		39
							40

[25869]

Item SS

4677

552. INTERCHANGE POWER (Account 739)

1. Report below the kilowatt-hours received and delivered during the year and the net charge or credit under interchange power agreements.
2. All interchanges with publicly-owned power systems should be classified as municipalities.
3. Explain any amounts entered in column (s).
4. Designate the statistical classifications applicable to each interchange listed, by placing "x's" in the appropriate columns (b) to (h).

A. Summary of Interchanges According to Companies and Points of Interchange

Line No.	Name of company	Associated utilities	Nonassociated utilities	Associated nonutilities	Other nonutilities	Municipalities	Interchanges within State boundaries	Interchanges across State lines	Point of interchange	Voltage at which interchanged	KILOWATT-HOURS			
											Received	Delivered	Net difference	Amount of settlement
(a)		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
1	Cons. Gas, Elec. Lt. & Pwr. Co.	X						X	Balto, Bk. Fk, Md.	13,000-220,000	159,482,000	-	159,482,000	See Note
2	Phila. Elec. Co.	X						A	Perryville, Md.	132,000	3,968,000	32,786,000	(28,818,000)	(179,598.35)
3							A		Thorndale, Pa.	132,000	5,425,000	48,018,000	(42,593,000)	(268,975.19)
4	Penn. Pwr. & Lt. Co.	X					X		Harrisburg, Pa.	66,000	2,919,000	51,192,000	(48,273,000)	(307,996.55)
5	Met. Ed. Co.	X					X		York, Pa.	66,000	448,000	72,428,000	(71,980,000)	(371,128.64)
6														
7														
8														
9														
									TOTAL		172,242,000	204,424,000	(32,182,000)	(1,127,698.73)

B. Summary of Interchanges According to Statistical Classifications

21	Associated utilities													
22	Nonassociated utilities													
23	Associated nonutilities										172,242,000	204,424,000	(32,182,000)	(1,127,698.73)
24	Other nonutilities													
25	Municipalities													
26	Interchanges within State boundaries										8,792,000	171,638,000	(162,846,000)	(948,100.38)
27	Interchanges across State lines										163,450,000	32,786,000	130,664,000	(179,598.35)
28	(Do not total.)													

C. Details of Settlement for Interchange Power

Line No.	Name of company	Remarks	Details of Settlement			
			Demand charges	Energy charges	Other charges	Total settlement
(a)		(p)	(q)	(r)	(s)	(t)
41	Cons. Gas Elec. Lt. & Pwr. Co.					
42	Phila. Elec. Co.			See Note		
43	Penn. Pwr. & Lt. Co.			(448,573.54)		(448,573.54)
44	Met. Ed. Co.			(307,996.55)		(307,996.55)
45				(371,128.64)		(371,128.64)
46						
47						
48						
49						
			TOTAL	(1,127,698.73)		(1,127,698.73)

PENNSYLVANIA WATER & POWER COMPANY

1946

552 - Interchange Power (Account 739)

Line 1 Col. (k)

The energy shown was the metered (net hourly basis) supply to the 220,000 volt system of Respondent at Baltimore and Takoma Park, Maryland, and to the 13,000 volt system at Highlandtown Substation (Baltimore, Md.).

Line 1 Col. (n)Line 41 Cols. (r) and (t)

The settlement is a part of the consideration shown on Pages 412-513 (Schedule 530), Line 3 Cols. (s) and (t).

Lines 2 and 3 (Note A)

The energy shown was delivered to The Pennsylvania Railroad Company for the account of the Philadelphia Electric Company and the kilowatt-hours reported received were kilowatt-hours delivered to The Pennsylvania Railroad Company by the Philadelphia Electric Company system for the account of the Respondent. Deliveries were not made at a point of connection between the two electric companies but each company delivered at a point on its own system to The Pennsylvania Railroad Company and the power was used by the said railroad on its lines.

Line 4 Col. (l)

The energy shown was sold under a joint power supply contract by Respondent and Safe Harbor Water Power Corporation.

Line 4 Col. (n)

The settlement shown reflects \$320,028.21 billed by Respondent acting for itself and as agent for Safe Harbor Water Power Corporation.

Lines 42, 43 and 44 Col. (r)

The amounts shown included charges for other interchange services in addition to charges for interchange energy; the several interchange services are not billed separately.

[25871]

Item SS

4679

PENNSYLVANIA WATER & POWER COMPANY

1946

575 - Electric Energy Account

Line 4 Col. (b)

1946 was a year of approximately average river flow. The gross generation of Respondent's hydro plant was approximately 27,400,000 kwh. above that expected with average river flow.

Line 7 Col (b)

See Page 523 (Schedule 551) and notes pertaining to Line 2 Col. (r).

Line 11 Col. (b)

See Pages 512-513 (Schedule 530) and notes pertaining to Lines 5 and 7 Col. (p) and Page 524 (Schedule 532) and notes pertaining to Line 2 Col. (d).

Line 12 Col. (b)

See Page 524 (Schedule 552) and notes pertaining to Line 4 Col. (l).

Lines 24 and 27 Col. (b)

The energy shown does not include 7,041,000 kwh. of transmission losses on Respondent's 220,000 volt transmission system between Safe Harbor, Baltimore and Takoma Park, Maryland resulting from the transmission of electric services by Respondent from Safe Harbor, Pa. to Consolidated Gas Electric Light and Power Company of Baltimore.

ITEM VV.

Electric Utilities and Licensees

(Classes A and B)

ANNUAL REPORT

of

PENNSYLVANIA POWER & LIGHT COMPANY

Ninth and Hamiltan Sts., Allentown, Pennsylvania

to the

FEDERAL POWER COMMISSION

for the

YEAR ENDED DECEMBER 31, 1945

(Excerpts)

551. PURCHASED POWER (Account 738)

1. Report below the information called for concerning power purchased for resale during the year.
2. All purchases from publicly owned power systems should be classified as purchases from municipalities.
3. Report separately firm, dump, and other power purchased from the same company. Describe the nature of any purchases classified as Other Power, column (i).
4. If a fixed number of kilowatts of maximum demand is

specified in the power contract as a basis of billing this number should be shown in column (m). The number of kilowatts of maximum demand to be shown in columns (a) and (c) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (p) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

A. Summary of Purchases According to Companies and Points of Receipt

Line No.	Purchased from —	Associated utilities	Nonassociated utilities	Associated nonutilities	Other nonutilities	Municipalities	Firm power	Dump or surplus power	Other power	Purchases within State boundaries	Imports across State lines	Point of receipt (Use an insert page and designate points of receipt by line numbers of this schedule)	KILOWATTS OF DEMAND		
													Contract demand	Average monthly maximum demand	Annual maximum demand
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
1	Alpha Portland Cement Co.				X			X		X			*	*	*
2	Bethlehem Steel Co.				X			X		X			*	*	*
3	Luzerne County G. & E. Corp.		X				X			X			*	*	*
4	Metropolitan Edison Co.		X				X			X			*	*	*
5	"		X				X			X		See	*	*	*
6	"		X				X			X		Schedule	*	*	*
7	Mill Hall Mfg. Co.				X		X			X		Attached	*	*	*
8	Northern Penna. Power Co.		X				X			X			*	*	*
9	"		X				X			X			*	*	*
10	"		X				X			X			*	*	*
11	Penna. Dixie Cement Corp.				X			X		X			*	*	*
12	Penna. Edison Co.		X				X			X			*	*	*
13	Penna. Water & Power Co.		X				X			X			*	*	*
14	"		X				X			X			*	*	*
15	Philadelphia Electric Co.		X				X			X			*	*	*
16	Scranton Electric Co.,		X				X			X			*	*	*
17															
18															
19															
20															
21															
22															
23															
24															
25															
26															
27	*Demands are not recorded														
28	**Not billed on demand basis														
29															
30															
31															
32															
33															

TOTAL

B. Summary of Purchases According to Statistical Classifications

51	Associated utilities	
52	Nonassociated utilities	
53	Associated nonutilities	
54	Other nonutilities	
55	Municipalities	
56	Firm power	
57	Dump or surplus power	
58	Other power	
59	Purchases within State boundaries	
60	Imports across State lines	
	(Do not total)	

[25891]

Item VV

4683

552. INTERCHANGE POWER (Account 739)

1. Report below the kilowatt-hours received and delivered during the year and the net charge or credit under interchange power agreements.
 2. All interchanges with publicly owned power systems should be classified as municipalities.
 3. Explain any amounts entered in column (i).
 4. Designate the statistical classifications applicable to each interchange listed, by placing "x's" in the appropriate column (b) to (h).

A. Summary of Interchanges According to Companies and Points of Interchange

Line No.	Name of company	Associated utilities	Non-associated util.	Associated nonutil.	Other nonutilities	Municipalities	Interchanges within State boundaries	Interchanges across State lines	Point of interchange	Voltage at which interchanged	KILOWATT-HOURS				Amount of settlement
											Received	Delivered	Net difference		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
1	Luzerne Co. G. & E. Corp.	X					X		(a)	66,000	43,524,300	3,930,900	39,593,600	\$183,316.52	
2	Metropolitan Edison Co.	X					X		(b)	66,000-33,000-22,000	5,663,993	11,431,412	(5,767,419)	*66,608.16	
3	Northern Penna. Power Co.	X					X		(c)	11,000	268,500	501,100	(232,600)	(2,010.73)	
4	Penna. Water & Power Co.	X					X		(d)	66,000	63,343,000	6,053,000	57,290,000	247,204.30	
5	Philadelphia Elec. Co.	X					X		(e)	220,000	55,244,000	68,026,000	(12,782,000)	27,539.72	
6	" " " " " "	X					X		(f)	33,000	1,375,000	1,375,000		13,750.00	
7	Public Service E. & G. Co.	X					X		(g)	220,000	40,183,000	21,979,000	18,204,000	86,251.91	
8	Scranton Electric Co.	X					X	X	(h)	66,000	31,183,380	5,223,000	24,960,380	124,341.11	
9										TOTAL	240,767,373	118,144,412	122,622,961	747,000.99	

B. Summary of Interchanges According to Statistical Classifications

21	Associated utilities														
22	Non-associated utilities										240,767,373	118,144,412	122,622,961	747,000.99	
23	Associated nonutilities														
24	Other nonutilities														
25	Municipalities														
	*Includes capacity charge of \$85,364.42														
26	Interchanges within State boundaries										200,584,373	96,165,412	104,418,961	660,749.08	
27	Interchanges across State lines										40,183,000	21,979,000	18,204,000	86,251.91	
28	(Do not total.)														

C. Details of Settlement for Interchange Power

Line No.	Name of company	Remarks	Demand charges	Energy charges	Other charges	Total settlement
	(a)	(b)	(c)	(d)	(e)	(f)
41	Luzerne County Gas & Electric Corporation			183,316.52		183,316.52
42	Metropolitan Edison Company			66,608.16		66,608.16
43	Northern Pennsylvania Power Company			(2,010.73)		(2,010.73)
44	Pennsylvania Water & Power Company			247,204.30		247,204.30
45	Philadelphia Electric Company			27,539.72		27,539.72
46	"			13,750.00		13,750.00
47	Public Service Electric & Gas Company			86,251.91		86,251.91
48	Scranton Electric Company			124,341.11		124,341.11
49				747,000.99		747,000.99
				TOTAL		747,000.99

Item BBB

4685

ITEM BBB.

Electric Utilities and Licensees

(Classes A and B)

ANNUAL REPORT

of

PHILADELPHIA ELECTRIC COMPANY

1000 Chestnut Street, Philadelphia, Pennsylvania

to the

FEDERAL POWER COMMISSION

for the

YEAR ENDED DECEMBER 31, 1945

(Excerpts)

4686

- Item BBB

[25906]

B. Summary of Purchases According to Statistical Classifications	
51	Associated utilities.....
52	Nonassociated utilities.....
53	Associated nonutilities.....
54	Other nonutilities.....
55	Municipalities.....
56	Firm power.....
57	Dump or surplus power.....
58	Other power.....
59	Purchases within State boundaries.....
60	Imports across State lines.....

552. INTERCHANGE POWER (Account 739)

1. Report below the kilowatt-hours received and delivered during the year and the net charge or credit under interchange power agreements.
2. All interchanges with publicly owned power systems should be classified as municipalities.
3. Explain any amounts entered in column (a).
4. Designate the statistical classifications applicable to each interchange listed, by placing "x's" in the appropriate columns (b) to (h).

A. Summary of Interchanges According to Companies and Points of Interchange

Line No.	Name of company	Associated utilities	Nonassociated utilities	Associated nonutilities	Other nonutilities	Municipalities	Interchanges within State boundaries	Interchanges across State lines	Point of interchange	Voltage at which Interchanged	KILOWATT-HOURS			Amount of settlement
											Received	Delivered	Net difference	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
1	Public Service Electric								Pa.-N.J. State Line	220 000				
2	and Gas Company	X					X		near New Hope, Pa.	66 000	163 730 000	67 414 000	96 316 000	413 616 67
3	Pennsylvania Power & Light Co.	X					X		near Trenton, N.J.	26 000				
4									at Philadelphia, Pa.	33 000	68 026 000	56 619 000	11 407 000	(41 289 72)
5	Pennsylvania Water & Power Co.	X					X		North Wales, Pa.	220 000	56 368 000	8 766 000	47 602 000	216 258 10
6									Towamencin Twp. Line, Pa.	132 000				
7	Southern Pennsylvania Power Company	X					X		Via Lines of Pa.R.R.Co.	33 000	31 000	1 873 600	(1 842 600)	(15 815 03)
8									West Fallowfield Twp. near Cochranville, Pa.	4 000				
9									TOTAL		286 155 000	134 672 600	153 482 400	572 770 02

B. Summary of Interchanges According to Statistical Classifications

21	Associated utilities	31 000	1 873 600	(1 842 600)	(15 815 03)
22	Nonassociated utilities	288 124 000	132 799 000	155 325 000	588 585 05
23	Associated nonutilities				
24	Other nonutilities				
25	Municipalities				
26	Interchanges within State boundaries	124 425 000	67 258 600	57 166 400	158 153 35
27	Interchanges across State lines	163 730 000	67 414 800	96 316 000	413 616 67
28	(Do not total.)				

C. Details of Settlements for Interchange Power

Line No.	Name of company (o)	Remarks (p)	Demand charges (q)	Energy charges (r)	Other charges (s)	Total settlement (t)
41	Public Service Electric		\$	\$	\$	\$
42	and Gas Company			413 616 67		413 616 67
43	Pennsylvania Power & Light Co.			(41 289 72)		(41 289 72)
44	Pennsylvania Water & Power Co.			216 258 10		216 258 10
45	Southern Pennsylvania					
46	Power Company		(6 538 36)	(6 307 87)	(2 968 80)	(15 815 03)
47	Other charges Col. "S" line 46 represents twelve (12) percent of					
48	the investment of the facilities used to serve this customer.					
49	TOTAL		(6 538 36)	582 277 18	(2 968 80)	572 770 02

Item EEE

4688

ITEM EEE.

Electric Utilities and Licensees

(Classes A and B)

ANNUAL REPORT

of

PENNSYLVANIA WATER & POWER COMPANY

Lexington Building, Baltimore, Maryland

to the

FEDERAL POWER COMMISSION

for the

YEAR ENDED DECEMBER 31, 1937

(Excerpts)

530. SALES TO OTHER ELECTRIC UTILITIES (Account 605)

1. Report below the information called for concerning sales during year to other electric utilities and to cities or other public authorities for distribution to ultimate consumers.

2. Report separately firm, dump, and other power sold to the same company. Describe the nature of any sales classified as Other Power, column (g).

3. If a fixed number of kilowatts of maximum demand is specified

in the power contract as a basis of billing to the customer this number should be shown in column (k). The number of kilowatts of maximum demand to be shown in columns (l) and (m) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (n) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

A. Summary of Sales According to Companies and Points of Delivery

Line No.	Sales to—	Associated utilities	Nonassociated utilities	Municipalities	Firm power	Dump or surplus power	Other power	Sales within State boundaries	Exports across State lines	Point of delivery	KILOWATTS OF DEMAND		
											Contract demand	Average monthly maximum demand	Annual maximum demand
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Phila. Electric Co. - Coatesville Div.		X		X			X		Coatesville, Pa.	-	11,679	12,500
2	Pa. Pwr. & Lt. Co. - Lancaster Div.		X		X			X		Lancaster, Pa.	-	-	-
3	York Edison Co.		X		X			X		Violet Hill, Pa.	-	6,453	7,040
4	Consol. Gas Elec. Lt. & Power Co. of Balto.		X				X		X	Balto., Takoma Park & Perryville, Md.	-	-	-
5													
6													
7													
8													
9													
21													
22													
23													
24													
25													
26													
27													
28													
29													
30													
31													
32													
33													
34													
35										TOTAL	-	-	-

Note:

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B. Summary of Sales According to Statistical Classifications

51	Associated utilities	
52	Nonassociated utilities	
53	Municipalities	
54	Firm power	
55	Dump or surplus power	
56	Other power	
57	Sales within State boundaries	
58	Exports across State lines	
59	(Do not total.)	

[25317]

Item FFF

4689

532. SALES TO RAILROADS AND RAILWAYS (Account 606)

1. Designate associated companies by placing an "x" in column (c)
2. If a contract covers several points of delivery and small amounts of electric energy are delivered at each point, such sales may be grouped.

Line No.	Name of railroad or railway (a)	Point of delivery (b)	Associated company (c)	Kilowatt-hours (d)	Revenue (e)			Revenue per kwh (f)
1	The Pennsylvania Railroad Company	Safe Harbor, Pa.		22,600	\$	224	88	0.995
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
			TOTAL	22,600		224	88	0.995

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533. INTERDEPARTMENTAL SALES (Account 607)

Line No.	Name of other department (a)	Basis of charge to other department (b)	Point of delivery (c)	Kilowatt-hours (d)	Revenue (e)			Revenue per kwh (f)
31					\$			
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
			TOTAL					

534. OTHER SALES (Account 608)

Line No.	Description of other sales (a)	Point of delivery (b)	Kilowatt-hours (c)	Revenue (d)			Revenue per kwh (e)
61				\$			
62							
63							
64							
65							
66							
67							
68							
69							
70							
71							
72							
73							
74							
75							
76							
			TOTAL				

[25919]

Item FEE

4690

Annual Report of _____

4. If a fixed number of kilowatts of maximum demand is specified in the power contract as a basis of billing this number should be shown in column (m). The number of kilowatts of maximum demand to be shown in columns (n) and (o) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (p) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

A. Summary of Purchases According to Companies and Points of Receipt

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B. Summary of Purchases According to Statistical Classifications

(Do not total.)

4691

552. INTERCHANGE POWER (Account 739)

1. Report below the kilowatt-hours received and delivered during the year and the net charge or credit under interchange power agreements.

2. All interchanges with publicly owned power systems should be classified as municipalities.

3. Explain any amounts entered in column (s).

4. Designate the statistical classifications applicable to each interchange listed, by placing "x's" in the appropriate columns (b) to (h).

A. Summary of Interchanges According to Companies and Points of Interchange

Line No.	Name of company	Associated utilities	Nonassociated utilities	Associated nonutilities	Other nonutilities	Municipalities	Interchanges within State boundaries	Interchanges across State lines	Point of interchange	Voltage at which interchanged	KILOWATT-HOURS			Amount of settlement		
											Received	Delivered	Net difference			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)		
1	Phila. Electric Co.		X					X	Perryville, Md.	132,000	13,858,000	31,753,800	17,895,800	14	428	50
2	Pa. Power & Light Co.		X				X		Harrisburg, Pa.	70,000	16,610,000	21,611,000	5,001,000	19	513	56
3	Metropolitan Edison Co.		X				X		Violet Hill, Pa.	70,000	828,000	89,892,000	89,064,000	191	063	50
4																
5																
6																
7																
8																
9										TOTAL	31,296,000	143,256,800	111,960,800	3225	005	56

B. Summary of Interchanges According to Statistical Classifications

21	Associated utilities					
22	Nonassociated utilities	31,296,000	143,256,800	111,960,800	\$225	005 56
23	Associated nonutilities					
24	Other nonutilities					
25	Municipalities					
26	Interchanges within State boundaries	17,438,000	111,503,000	94,055,000	\$210	577 06
27	Interchanges across State lines	13,858,000	31,753,800	17,825,800	14	428 50
28	(Do not total.)					

C. Details of Settlement for Interchange Power

Line No.	Name of company (a)	Remarks (p)	Demand charges (c)			Energy charges (f)			Other charges (a)			Total settlement (t)		
			\$		c.	\$		c.	\$		c.	\$		c.
41	Phila. Electric Co.		-			14	428	50	-			14	428	50
42	Pa. Power & Light Co.		-			19	513	56	-			19	513	56
43	Metropolitan Edison Co.		-			190	337	98	(a)	725	52	191	063	50
44														
45														
46		(a) Special Transformer Facilities.												
47														
48														
49		TOTAL				\$224	280	04	\$	725	52	\$225	005	56

602. CONTRACTS, RATE SCHEDULES, AND AGREEMENTS

(A) With Other Utilities for the Sale or Interchange of Energy for Resale

(B) With Industrial Companies for the Purchase or Interchange of Energy for Resale

1. Report below the data requested for each contract, agreement, or rate schedule in force at end of year, with (A) other utilities covering sales or interchanges of energy for resale and (B) industrial companies covering purchases or interchanges of energy for resale.

2. State in column (d) whether or not two copies of each of the

contracts, agreements, or rate schedules listed below have previously been furnished the Federal Power Commission. Enclose with this statement two copies of each such contract, agreement, or schedule that have not been furnished this Commission.

(A) WITH OTHER UTILITIES FOR THE SALE OR INTERCHANGE OF ENERGY FOR RESALE

Line No.	Name of utility or industrial company with which contract, agreement, or schedule is made (a)	Date of making contract, agreement, or schedule (b)	Date of expiration of contract, agreement, or schedule (c)	Has copy been furnished Federal Power Commission? (yes or no) (d)	Specify whether contract is for sale, interchange, purchase, or a combination of these (e)
1	Consolidated Gas Electric Light				
2	& Power Co.	12-31-27	4-22-80	Yes	Sale
3	Philadelphia Electric Co.	5-20-35	9-1-38	Yes	Interchange*
4					
5					
6	* This is really a transfer of Pennsylvania Railroad load from one				
7	supplying electric company to the other. Energy is delivered to the				
8	Pennsylvania Railroad for the account of Philadelphia Electric Co., or				
9	it is delivered by Philadelphia Electric Co. to Pennsylvania Railroad				
10	for the account of Pennsylvania Water & Power Co.				
11					

(B) WITH INDUSTRIAL COMPANIES FOR THE PURCHASE OR INTERCHANGE OF ENERGY FOR RESALE

21					
22					
23					
24					
25					
26			None		
27					
28					
29					
30					
31					
32					
33					

STATE OF Pennsylvania

602. CONTRACTS, RATE SCHEDULES, AND AGREEMENTS

(A) With Other Utilities for the Sale or Interchange of Energy for Resale

(B) With Industrial Companies for the Purchase or Interchange of Energy for Resale

1. Report below the data requested for each contract, agreement, or rate schedule in force at end of year, with (A) other utilities covering sales or interchanges of energy for resale and (B) industrial companies covering purchases or interchanges of energy for resale.

2. State in column (d) whether or not two copies of each of the

contracts, agreements, or rate schedules listed below have previously been furnished the Federal Power Commission. Enclose with this statement two copies of each such contract, agreement, or schedule that have not been furnished this Commission.

(A) WITH OTHER UTILITIES FOR THE SALE OR INTERCHANGE OF ENERGY FOR RESALE

Line No.	Name of utility or industrial company with which contract, agreement, or schedule is made (a)	Date of making contract, agreement, or schedule (b)	Date of expiration of contract, agreement, or schedule (c)	Has copy been furnished Federal Power Commission? (yes or no) (d)	Specify whether contract is for sale, interchange, purchase, or a combination of these (e)
1	Phil. Elec. Co., Coatesville Div.	8-1-33	3-31-39	Yes	Sale
2	Pa. Pwr. & Ltg. Co., Lancaster Div.	5-21-33	10-31-40	Yes	Sale (a)
3	Edison Light & Power Co.	1-1-35	3-31-45	Yes	Sale
4	Metropolitan Edison Co.	3-11-31	By request with 1 yr. notice	Yes	Interchange
5	Safe Harbor Water Power Corp.	6-1-31	4-22-80	Yes	Purchase
6					
7	(a) There is also a small amount of interchange under oral arrangements pending				
8	completion of interchange agreement.				
9					
10					
11					

(B) WITH INDUSTRIAL COMPANIES FOR THE PURCHASE OR INTERCHANGE OF ENERGY FOR RESALE

21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					

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[25932]

Item EEE

4694

Item MMM

4695

ITEM MMM.

Electric Utilities and Licensees

(Classes A and B)

ANNUAL REPORT

of

SAFE HARBOR WATER POWER CORPORATION

Lexington Building, Baltimore, Maryland

to the

FEDERAL POWER COMMISSION.

for the

YEAR ENDED DECEMBER 31, 1937

(Excerpts)

520. SALES TO OTHER ELECTRIC UTILITIES (Account 605)

1. Report below the information called for concerning sales during year to other electric utilities and to cities or other public authorities for distribution to ultimate consumers.

2. Report separately firm, dump, and other power sold to the same company. Describe the nature of any sales classified as Other Power, column (g).

3. If a fixed number of kilowatts of maximum demand is specified

in the power contract as a basis of billing to the customer this number should be shown in column (k). The number of kilowatts of maximum demand to be shown in columns (l) and (m) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (n) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

A. Summary of Sales According to Companies and Points of Delivery

Line No.	Sales to—	Associated utilities	Nonassociated utilities	Municipalities	Firm power	Dump or surplus power	Other power	Sales within State boundaries	Exports across State lines	Point of delivery	KILOWATTS OF DEMAND		
											Contract demand	Average monthly maximum demand	Annual maximum demand
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Pennsylvania Water									Safe Harbor, Pa.	-	-	-
2	& Power Co.		X				X	X		Baltimore and	-	-	-
3	Consolidated Gas Elec.						X		X	Takoma Pk. Md.	-	-	-
4	Lt. & Power Co.		X				X						
5													
6													
7													
8													
9													
10													
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Note:

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TOTAL

B. Summary of Sales According to Statistical Classifications

51	Associated utilities
52	Nonassociated utilities
53	Municipalities
54	Firm power
55	Dump or surplus power
56	Other power
57	Sales within State boundaries
58	Exports across State lines
59	(Do not total.)

[26024]

Item MMM

4696

532. SALES TO RAILROADS AND RAILWAYS (Account 606)

1. Designate associated companies by placing an "x" in column (c).
 2. If a contract covers several points of delivery and small amounts of electric energy are delivered at each point, such sales may be grouped.

Line No.	Name of railroad or railway (a)	Point of delivery (b)	Associated company (c)	Kilowatt-hours (d)	Revenue (e)		Revenue per kwh (f)
					\$	c.	c.
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552. INTERCHANGE POWER (Account 739)

1. Report below the kilowatt-hours received and delivered during the year and the net charge or credit under interchange power agreements.

2. All interchanges with publicly owned power systems should be classified as municipalities.

3. Explain any amounts entered in column (e).

4. Designate the statistical classifications applicable to each interchange listed, by placing "x's" in the appropriate columns (b) to (h).

A. Summary of Interchanges According to Companies and Points of Interchange

Line No.	Name of company (a)	Associated utilities (b)	Nonassociated utilities (c)	Associated nonutilities (d)	Other nonutilities (e)	Municipalities (f)	Interchanges within State boundaries (g)	Interchanges across State lines (h)	Point of interchange (i)	Voltage at which interchanged (j)	KILOWATT-HOURS			Amount of settlement		
											Received (k)	Delivered (l)	Net difference (m)	(n)		
1																
2																
3																
4																
5																
6																
7																
8																
9																
										TOTAL						

B. Summary of Interchanges According to Statistical Classifications

21	Associated utilities					
22	Nonassociated utilities					
23	Associated nonutilities					
24	Other nonutilities					
25	Municipalities					
26	Interchanges within State boundaries					
27	Interchanges across State lines					
28	(Do not total)					

C. Details of Settlement for Interchange Power

Line No.	Name of company (a)	Remarks (b)	Demand charges (c)			Energy charges (d)			Other charges (e)			Total settlement (f)		
			\$		c.	\$		c.	\$		c.	\$		c.
41														
42														
43														
44														
45														
46														
47														
48														
49														
TOTAL														

550. ELECTRIC OPERATING EXPENSES — Continued

Line No.	Account	CLASS		Amount for year	Increase or decrease from preceding year
		(b)	(c)	(d)	(e)
1	ELECTRIC GENERATION — HYDRAULIC POWER — Contd.			X X X X X X	X X X X X X X X
2	Maintenance:			X X X X X X	X X X X X X X X
3	(719) Supervision and engineering.....	A	B		
4	(720) Structures and improvements.....	A	B		
5	(721) Reservoirs, dams, and waterways.....	A	B		
6	(722) Generating and electric equipment.....	A	B		
7	(722.1) Prime movers and generators.....	A			
8	(722.2) Accessory electric equipment.....	A			
9	(722.3) Miscellaneous power plant equipment.....	A			
10	(723) Roads, railroads, and bridges.....	A	B		
11	Total maintenance.....				
12	Miscellaneous:			X X X X X X	X X X X X X X X
13	(724) Rents.....	A	B		
14	(725) Joint expenses — Debit.....	A	B		
15	(726) Joint expenses — Credit.....	A	B		
16	Total miscellaneous.....				
17	Total production expenses — Hydraulic power.....				
18	ELECTRIC GENERATION — INT. COMB. ENGINE POWER			X X X X X X	X X X X X X X X
19	Operation:			X X X X X X	X X X X X X X X
20	(727) Supervision and engineering.....	A	B		
21	(728) Station labor.....	A	B		
22	(728.1) Engine labor.....	A			
23	(728.2) Electric labor.....	A			
24	(728.3) Miscellaneous station labor.....	A			
25	(729) Engine fuel.....	A	B		
26	(730) Supplies and expenses.....	A	B		
27	(730.1) Water.....	A			
28	(730.2) Lubricants.....	A			
29	(730.3) Station supplies.....	A			
30	(730.4) Station expenses.....	A			
31	Total operation.....				
32	Maintenance:			X X X X X X	X X X X X X X X
33	(731) Supervision and engineering.....	A	B		
34	(732) Structures and improvements.....	A	B		
35	(733) Fuel holders, producers, and accessories.....	A	B		
36	(734) Generating and electric equipment.....	A	B		
37	(734.1) Engines.....	A			
38	(734.2) Generators.....	A			
39	(734.3) Accessory electric equipment.....	A			
40	(734.4) Miscellaneous power plant equipment.....	A			
41	Total maintenance.....				
42	Miscellaneous:			X X X X X X	X X X X X X X X
43	(735) Rents.....	A	B		
44	(736) Joint expenses — Debit.....	A	B		
45	(737) Joint expenses — Credit.....	A	B		
46	Total miscellaneous.....				
47	Total prod. expenses — Int. comb. engine power.....				
48	OTHER PRODUCTION EXPENSES AND CREDITS			X X X X X X	X X X X X X X X
49	(738) Purchased power.....	A	B	3,328,178.69	1,164,212.12
50	(739) Interchange power.....	A	B	423,552.45	825,809.44
51	(740) Other expenses.....	A	B	-	-
52	(741) Joint expenses — Debit.....	A	B	-	-
53	(742) Joint expenses — Credit.....	A	B	-	-
54	Total other production expenses and credits.....			3,751,731.14	338,402.68
55	Total production expenses.....			12,958,225.29	656,417.61

[26159]

Item FEE

Item AAAA

4699

ITEM AAAA

Docket No. IT-5582

In the Matter of:

**SUSQUEHANNA TRANSMISSION COMPANY
OF PENNSYLVANIA**

and

PENNSYLVANIA WATER AND POWER COMPANY

Docket No. IT-5583

In the Matter of:

PENNSYLVANIA TRANSMISSION COMPANY

and

PENNSYLVANIA WATER AND POWER COMPANY

Testimony, Pages 65, 77

4700

Item AAAA

[26135] (page 65)

JOSEPH U. DIEHL

resumed the stand and testified further as follows:

CROSS-EXAMINATION (Continued).

By Mr. WHITTLESEY:

[26137] (page 77)

Q. May I ask what were the reasons for the change in the depreciation policy of the company that you mentioned took place in 1931?

A. Well, I do not know as I can answer your question specifically. I think perhaps another witness from the company can best explain that answer, explain the answer to your question.

Q. Perhaps then you might be able to tell us this: Is the present depreciation policy actually designed to provide for depreciation on an age-life basis?

A. It would seem to have the same effect. That is, we are using a composite rate on the additions since 1931. That might be said to be tantamount to the assignment of lives to each class of property.

ITEM CCCC.

In the Matter of:

SAFE HARBOR WATER POWER CORPORATION

Docket IT-5914

Testimony, Page 60

Witness: John A. Walls

[26153] (page 60)

Even if the metering and classification of power and energy could be carried out, any power and energy schedules, with fixed unit rates, which might be designed would fail to be equitable to all three companies under varying conditions, would interfere seriously with the economy of system operation and dispatching of water and of electric power, would prevent the best utilization of the available water power, lead to endless disputes, and by increasing the combined system operating cost would finally be reflected in higher rates to the ultimate consumers.

On the other hand, under the type of power contract now in effect, the operations of the several generating plants are coordinated for maximum system economy. This often actually results in a reduction of the efficiency and output of the hydro plants for the benefit of the steam plants. Likewise, generation may be shifted from Holtwood to Safe Harbor or vice versa, and the pondages may be controlled as justified without thought of intercompany charges.

4702

Item DDDD

ITEM DDDD.

In the Matter of:

SAFE HARBOR WATER POWER CORPORATION

Docket, IT-5914

EXHIBITS NOS. 182, 183

EXHIBIT No. 182.

[26154]

Mar 28, 1940

Safe Harbor Water Power Corporation
Baltimore, Maryland

Gentlemen:

Your report of Interstate Electric Transactions on FPC Form No. 88, for the period ending December 31, 1939, did not contain the transactions under the following rate schedules:

- F. P. C. No. 1—Pennsylvania Water & Power Co., etc.
- F. P. C. No. 2—Consolidated Gas Elec. Light & Pwr. Co.
- F. P. C. No. 3—Pennsylvania Water & Power Co.
- F. P. C. No. 4—Philadelphia Electric Co., etc.

It is requested that a report of transactions under the above be submitted as soon as possible. If there were none, please report accordingly.

Very truly yours,

LEON M. FUQUAY
Secretary.

550 ELECTRIC OPERATING EXPENSES—Continued

Line No.	Account	CLASS		Amount for year	Increase or decrease from preceding year
		(b)	(c)	(d)	(e)
1	DISTRIBUTION EXPENSES—Continued			*****	*****
2	Maintenance:			*****	*****
3	(764) Supervision and engineering.....	A	B	183,453 78	1,439 13
4	(765) Structures and improvements.....	A	B	39,415 11	4,900 46
5	(766) Station equipment.....	A	B	184,678 12	22,775 01
6	(767) Storage battery equipment.....	A	B	26,913 94	24,014 43
7	(768) Overhaul system.....	A	B		
8	(768.1) Poles, towers, and fixtures.....	A	B	44,241 71	5,666 42
9	(768.2) Conductors and devices.....	A	B	242,513 73	32,291 80
10	(769) Underground system.....	A	B		
11	(769.1) Conduit.....	A	B	3,532 07	5,267 04
12	(769.2) Conductors and devices.....	A	B	74,038 26	9,644 44
13	(770) Line transformers and devices.....	A	B	83,136 36	22,000 88
14	(771) Services.....	A	B	49,930 77	2,375 17
15	(772) Meters.....	A	B	83,801 10	15,316 98
16	(773) Installations on customers' premises.....	A	B	-	-
17	(774) Leased property on customers' premises.....	A	B	-	-
18	(775) Street lighting and signal systems.....	A	B	122,026 08	12,515 03
19	Total maintenance.....			1,137,681 03	59,049 89
20	Miscellaneous:			*****	*****
21	(776) Rents.....	A	B	423,156 08	422 03
22	(777) Joint expenses—Debit.....	A	B	-	-
23	(778) Joint expenses—Credit.....	A	B	-	-
24	Total miscellaneous.....			423,156 08	422 03
25	Total distribution expenses.....			4,032,427 45	443,385 88
26	CUSTOMERS' ACCTG. AND COLLECTING EXPENSES			*****	*****
27	(779) Supervision.....	A	B	52,109 51	5,206 70
28	(780) Customers' contracts, orders, meter reading, and collecting.....	A	B		
29	(780.1) Customers' contracts and orders.....	A	B	404,572 36	65,687 22
30	(780.2) Credit investigations and records.....	A	B	35,694 31	1,058 97
31	(780.3) Meter reading.....	A	B	242,380 67	27,742 88
32	(780.4) Collecting.....	A	B	221,061 72	10,136 89
33	(781) Customers' billing and accounting.....	A	B	489,715 74	13,126 89
34	(782) Miscellaneous expenses.....	A	B	-	-
35	(783) Uncollectible accounts.....	A	B	43,067 55	33,377 31
36	(784) Rents.....	A	B	-	-
37	Total customers' accounting and collecting expenses.....			1,488,601 86	156,336 86
38	SALES PROMOTION EXPENSES			*****	*****
39	(785) Supervision.....	A	B	104,520 12	12,520 60
40	(786) Salaries and commissions.....	A	B	179,827 14	51,631 28
41	(787) Demonstration, advertising, and other sales expenses.....	A	B		
42	(787.1) Demonstration.....	A	B	8,125 18	6,630 12
43	(787.2) Advertising.....	A	B	20,039 58	4,965 74
44	(787.3) Miscellaneous sales expenses.....	A	B	29,387 23	14,633 95
45	(788) Rents.....	A	B	-	-
46	(789) Merchandising, jobbing, and contract work.....	A	B	31,452 37	136,755 47
47	Total sales promotion expenses.....			260,446 88	46,373 78
48					
49					
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53					
54					

[26161]

Item EEE

EXHIBIT No. 183.

[26155]

SAFE HARBOR WATER POWER CORPORATION

Lexington Building
Baltimore, Maryland

April 2, 1940

Federal Power Commission
Washington, D. C.

Attention: Mr. Leon M. Fuquay, Secretary.

Gentlemen:

In reply to your inquiry of March 28, 1940, regarding Report of Interstate Electric Transactions on FPC Form No 88 for the 6-months period ending December 31, 1939 under rate schedules

FPC No. 1; Safe Harbor Water Power Corporation—
Pennsylvania Water & Power Company and
Consolidated Gas Electric Light and Power
Company of Baltimore

FPC No. 2; Safe Harbor Water Power Corporation,
Pennsylvania Water & Power Company and
Consolidated Gas Electric Light and Power
Company of Baltimore—Pennsylvania Rail-
road Company

FPC No. 3; Safe Harbor Water Power Corporation,
Pennsylvania Water & Power Company—
Pennsylvania Power & Light Company at
Lancaster

FPC No. 4; Safe Harbor Water Power Corporation,
Pennsylvania Water & Power Company—
Philadelphia Electric Company at Coatesville

the following is submitted.

This Company sells its entire output to the Consolidated Gas Electric Light and Power Company of Baltimore and the Pennsylvania Water & Power Company under rate schedule FPC No. 1. The energy sold to the Baltimore Company was reported on Form No. 88 which accompanied our letter of February 15; this transaction was under rate schedule FPC No. 1. You are now asking, as we understand your letter, what part of the energy sold by this Company to the Pennsylvania Water & Power Company under rate schedule FPC No. 1 entered interstate transmission. It is physically impossible to determine that point for the reason that the Pennsylvania Water & Power Company has customers in both Pennsylvania and Maryland and the energy from the generating plants of the two companies is co-mingled.

As to rate schedule FPC No. 2, although this Company is a party to the contract between the Consolidated Gas Electric Light and Power Company of Baltimore, the Pennsylvania Water & Power Company, and the Pennsylvania Railroad Company, it does not sell any energy under this contract, because as noted in the [26156] (Folio 2) preceding paragraph all of the Company's output is sold under rate schedule FPC No. 1 to the Consolidated Gas Electric Light and Power Company of Baltimore and Pennsylvania Water & Power Company. Therefore, there are no transactions by this Company under rate schedule FPC No. 2.

With respect to rate schedules FPC Nos. 3 and 4; it is also true that this Company is a party to these contracts, but for the reason noted above there are no transactions by this Company under these rate schedules.

Yours very truly,

/s/ JAS. L. RINTOUL
Jas. L. Rintoul

Treasurer

550. ELECTRIC OPERATING EXPENSES--Continued

Line No.	Account	CLASS		Amount for year	Increase or decrease from preceding year
		(b)	(c)	(d)	(e)
1	ADMINISTRATIVE AND GENERAL EXPENSES			x x x x x x	x x x x x x
2	(790) Salaries of general officers and executives	A	B	216,303 23	10,813 23
3	(791) Other general office salaries	A	B	1,311,154 03	39,684 21
4	(792) Expenses of general officers and general office employees		B		
5	(792.1) Expenses of general officers	A		1,333 00	973 56
6	(792.2) Expenses of general office employees	A		9,530 75	4,937 13
7	(793) General office supplies and expenses	A	B	23,659 60	29,497 21
8	(794) Management and supervision fees and expenses	A	B	-	-
9	(795) Special services	A	B	6,300 61	305 44
10	(796) Legal services	A	B	4,657 48	1,474 78
11	(797) Regulatory commission expenses	A	B	33,328 15	2,573 98
12	(798) Insurance	A	B	93,607 62	5,167 90
13	(799) Injuries and damages	A	B	70,947 09	5,568 78
14	(800) Employees' welfare expenses and pensions		B		
15	(800.1) Employees' welfare expenses	A		89,557 29	9,900 11
16	(800.2) Pensions	A		809,995 54	32,874 81
17	(801) Miscellaneous general expenses	A	B	177,290 70	13,770 45
18	(802) Maintenance of general property		B		
19	(802.1) Maintenance of structures and improvements	A		165,196 24	21,142 77
20	(802.2) Maintenance of office furniture and equipment	A		9,333 24	768 19
21	(802.3) Maintenance of communication equipment	A		14,838 88	3,426 23
22	(802.4) Maintenance of miscellaneous property	A		1,262 70	1,220 56
23	(803) Rents	A	B	7,734 67	199 97
24	(804) Commissions paid under agency sales contracts	A	B	-	-
25	(805) Franchise requirements	A	B	-	-
26	(806) Duplicate miscellaneous charges--Credit	A	B	-	-
27	(807) Administrative and general expenses transferred--Credit	A	B	-	-
28	(808) Joint expenses--Debit	A	B	-	-
29	(809) Joint expenses--Credit	A	B	-	-
30	Total administrative and general expenses			3,308,920 82	118,226 63
31	TOTAL ELECTRIC OPERATING EXPENSES			22,475,319 20	1,326,150 08

(A) Since Respondent is a combination Company rendering utility services other than electric, this figure is an approximation only, departments considered electric plus an apportionment of departments functioning jointly for electric, gas and other departments were considered in developing this estimate.

Summary of Electric Operating Expenses

51	Electric generation--Steam power	9,206,494 15	994,820 29
52	Electric generation--Hydraulic power	-	-
53	Electric generation--Internal combustion engine power	-	-
54	Other production expenses and credits	3,751,731 14	336,402 68
55	Total production expenses	12,958,225 29	656,417 61
56	Transmission expenses	426,696 90	1,843 12
57	Distribution expenses	4,032,427 45	443,385 88
58	Customers' accounting and collecting expenses	1,488,601 86	156,336 86
59	Sales promotion expenses	200,446 88	46,373 78
60	Administrative and general expenses	3,308,920 82	118,226 63
61	TOTAL ELECTRIC OPERATING EXPENSES	22,475,319 20	1,326,150 08
62	Total salaries and wages of electric department for year, including amounts charged to operating expenses, construction, and other accounts	(A) 11,151,864 72	1,319,057 29
63	Total number of employees of electric department at end of year, including administrative, operating, maintenance, construction, and other employees	(A) 3,819	298

[26162]

Item FEEF

4711

Item EEEE

4705

ITEM EEEE.

Electric Utilities and Licensees

(Classes A and B)

ANNUAL REPORT

of

**CONSOLIDATED GAS ELECTRIC LIGHT AND
POWER COMPANY OF BALTIMORE**

Lexington Building, Baltimore, Maryland

to the

FEDERAL POWER COMMISSION

for the

YEAR ENDED DECEMBER 31, 1946

(Excerpts)

174. ACCRUED AND PREPAID TAXES

1. This schedule is intended to give particulars of the combined prepaid and accrued tax accounts and to show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the material on which the tax was levied was charged.

2. Taxes, paid during the year and charged direct to final accounts, that is, not charged to prepaid or accrued taxes, should be included in the schedule. Enter the amounts both in

columns (d) and (e). The balancing of the schedule is not affected by the inclusion of these taxes.

3. Taxes charged during the year, column (d), includes taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to prepaid taxes for proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. The aggregate of each kind of tax should be listed under

the appropriate heading of "Federal", "State", and "Local" in such manner that the total tax for each State and for all subdivisions can readily be ascertained.

5. If any tax covers more than 1 year, each year should be shown separately.

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by red figures or appropriate symbol.

7. See schedule 420 for a distribution of taxes charged, column (d), according to utility departments and accounts.

Line No.	Kind of tax (a)	BALANCE BEGINNING OF YEAR		Taxes charged during year		Paid during year (e)	Adjustments (f)	BALANCE END OF YEAR	
		Taxes accrued (b)	Prepaid taxes (c)	(d)				Taxes accrued (amount 220) (g)	Prepaid taxes (amount 120) (h)
	Federal								
1	Income - Normal	1,926,771 33		1,405,681 55	1,920,740 54			1,411,712 34	
2	Income - Surtax	1,079,887 48		640,476 55	1,075 866 95			644,497 08	
3	Coupon Interest	1,919 70		1,501 20	1,919 70			1,501 20	
4	Electrical Energy	58,507 29		816,013 31	806,798 63			67,721 97	
5	Unemployment	35,506 72		42,279 00	35,113 96			42,671 76	
6	Insurance Contributions	23,947 64		141,168 16	131,314 45			33,801 35	
7	2% on Dividends of Pref. Stock	19 50		19 82	19 50			19 82	
8	State								
9	Real Estate	-		23,541 47	23,541 47			-	
10	Structural	-		46,454 33	46,454 33			-	
11	Easement	-		10,912 89	10,912 89			-	
12	Capital Stock	-		45,473 43	45,473 43			-	
13	Gross Receipts	588,431 83		599,482 15	588,431 83			592,482 15	
14	Unemployment Compensation	21,474 82		126,836 98	117,821 02			30,490 78	
15	Income	-		369 12	-			369 12	
16	Local								
17	Real Estate	-		603,339 04	603,339 04			-	
18	Structural	-		1,214,943 92	1,214,943 92			-	
19	Easement	-		326,295 32	326,295 32			-	
20	Capital Stock	-		1,343,499 18	1,343,499 18			-	
21	Conduit Charge in Lieu of Easement	-		3,858 48	3,858 48			-	
22	Pole	-		19,027 25	19,027 25			-	
23	Paving, Sewerage and Water Benefits	-		344 99	344 99			-	
24	Franchise	-		212 00	212 00			-	
25									
26									
27									
28	TOTAL	3,736,466 31		7,411,730 14	8,315,928 88			2,832,267 57	

579. GENERATING STATION STATISTICS

1. If any plant is a leased plant, or is operated under a license from the Federal Power Commission, or is operated as a joint facility, indicate such facts by the use of asterisks and footnotes.

2. Specify if total plant capacity is reported in kva instead of kilowatts as called for on line 4.

3. If peak demand for 60 minutes is not available, give that which is available, specifying period.

4. The total plant hours shown on line 10 should equal 8,760 or 8,784 depending upon the number of days in the year.

5. If a group of employees attends more than one generating station, report on line 11 the approximate average number of employees assignable to each station.

5. If gas is used and purchased on a therm basis, the B. t. u.

content of the gas should be given and the quantity of fuel consumed converted to M cu. ft.

7. Quantities of fuel consumed and average cost per unit of fuel consumed should be consistent with charges to expense accounts 703 and 729 as shown on line 24.

8. The items under cost of plant and production expenses represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production expenses, however, do not include purchased power, interchange power, other expenses, and joint expenses—debit and credit classified as "Other Production Expenses and Credits" in the Uniform System of Accounts.

9. If any plant is equipped with combinations of steam, hydro, and combustion engine equipment, each should be reported as a separate plant.

Line No.	Item	Westport Plant (b)	Gould St. Plant (c)	Riverside Plant (d)	Pratt St. Plant (e)
	(a)				
1	Kind of plant (steam, hydro, int. comb.)	Steam	Steam	Steam	Steam
2	Year originally constructed	1906	1926	1942	1893
3	Year last unit was installed	1941	1928	1944	1919
4	Total inst. cap. (name plate ratings in kw)	250,000	72,000	120,000	20,000
5	Peak demand on plant—kilowatts (60 minutes)	256,000	77,000	122,000	17,000
6	Plant hours:	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
7	Connected to load	8,743	5,284	8,581	18
8	Hot, but not connected to load	17	3,476	179	122
9	Held in cold reserve	-	-	-	8,620
10	Total plant hours	8,760	8,760	8,760	8,760
11	Average number of employees	(F) 419	76	95	-
12	Net generation, exclusive of station use	901,022,000	280,867,000	758,354,000	162,000
13	Cost of plant (omit cents):	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
14	Land and land rights	\$ 116,001	\$ 115,821	\$ 158,100	-
15	Structures and improvements	4,694,100	1,673,373	3,688,660	-
16	Reservoirs, dams, and waterways	-	-	-	-
17	Equipment costs	15,313,770	4,282,426	8,370,078	(A)
18	Roads, railroads, and bridges	-	-	-	-
19	Total cost	\$20,123,871	\$6,071,620	\$12,216,838	-
20	Cost per kw of installed capacity	\$80.50	\$84.33	\$101.81	-
21	Production expenses:	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
22	Operation supervision and engineering	\$ 71,701.43	\$ 44,825.88	\$ 46,250.26	\$ -
23	Station labor	779,457.00	204,707.41	252,799.13	1,258.27
24	Fuel	3,363,159.88	1,046,010.28	2,236,090.51	1,525.83
25	Water (steam plants only)	7,535.73	2,177.66	3,690.58	-
26	Water for power (hydroelectric plants only)	-	-	-	-
27	Supplies and expenses	57,488.54	16,596.38	27,116.81	120.51
28	Maintenance	659,799.56	199,965.37	179,875.09	1,196.94
29	Rents	40.00	5.00	-	-
30	Steam from other sources	-	-	-	-
31	Steam transferred—Credit	-	-	-	-
32	Joint expenses—Debit	-	-	-	-
33	Joint expenses—Credit	-	-	-	-
34	Total production expenses	\$1,942,182.24	\$1,511,387.28	\$2,715,822.38	\$1,101.55
35	Fuel: Kind	Coal	Coal	Coal	Coal
36	Unit: (Coal—tons of 2,000 lb.) (Oil—barrels of 42 gals.) (Gas—M cu. ft.)	Net Tons	Net Tons	Net Tons	Net Tons
37	Quantity (units) of fuel consumed	(C) 513,901.57	(D) 165,682.62	(E) 341,488.21	233.16
38	Average heat content of fuel (B. t. u. per lb. of coal, per gal. of oil, or per cu. ft. of gas) (as received)	13,215	13,075	13,181	13,551
39	Average cost of fuel per unit consumed	\$6.5444	\$6.3133	\$6.5481	\$6.5441
40	Average cost of fuel per million B. t. u.	\$.2476	\$.2411	\$.2484	\$.2415
41	Average cost of fuel per kwh net generation	.0037	.0037	.0029	.0094
42	Average B. t. u. per kwh net generation	15,043	15,426	11,716	39,007
43	Lubricating oil (int. combustion engines only):	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
44	Quantity	-	-	-	-
45	Total cost	-	-	-	-

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Item EEEE

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5. ELECTRIC OPERATING EXPENSES

1. Enter in the spaces provided the electric operating expenses for the year.
 2. The designations in columns (b) and (c) indicate the accounts prescribed for each class of utility.
 3. If the increases and decreases are not derived from previously reported figures explain in footnotes.

Line No.	Account	CLASS		Amount for year		Increase or decrease from preceding year	
		(b)	(c)	(d)	(e)	(f)	(g)
PRODUCTION EXPENSES							
XXXXXXXXXX							
ELECTRIC GENERATION—STEAM POWER							
XXXXXXXXXX							
Operation:							
XXXXXXXXXX							
(701)	Supervision and engineering.....	A	B	165,777	57	213	86
(702)	Station labor.....	A	B				
(702.1)	Boiler labor.....	A	B	578,274	90	9,201	05
(702.2)	Prime mover and generator labor.....	A	B	334,559	28	25,477	06
(702.3)	Electric labor.....	A	B	101,513	56	8,445	47
(702.4)	Miscellaneous station labor.....	A	B	223,874	07	12,268	96
(703)	Fuel.....	A	B	6,646,786	50	1,023,688	45
(704)	Water.....	A	B	13,403	97	3,573	84
(705)	Supplies and expenses.....	A	B				
(705.1)	Lubricants.....	A	B	8,371	84	1,353	95
(705.2)	Station supplies.....	A	B	35,318	29	3,453	96
(705.3)	Station expenses.....	A	B	57,732	21	7,206	68
Total operation.....				8,165,612	19	972,220	18
Maintenance:							
XXXXXXXXXX							
(706)	Supervision and engineering.....	A	B	91,345	25	9,303	96
(707)	Structures and improvements.....	A	B	139,612	98	26,020	26
(708)	Boiler plant equipment.....	A	B				
(708.1)	Coal storage, handling, and weighing equipment.....	A	B	134,808	18	43,830	00
(708.2)	Furnaces and boilers.....	A	B	270,513	62	7,181	04
(708.3)	Boiler apparatus.....	A	B	145,405	74	19,499	75
(708.4)	Steam piping and accessories.....	A	B	41,758	66	9,423	96
(709)	Generating and electric equipment.....	A	B				
(709.1)	Prime movers and generators.....	A	B	172,450	70	81,855	61
(709.2)	Accessory electric equipment.....	A	B	25,386	12	713	53
(709.3)	Miscellaneous power plant equipment.....	A	B	19,555	71	4,262	92
Total maintenance.....				1,040,836	96	22,590	67
Miscellaneous:							
XXXXXXXXXX							
(710)	Rents.....	A	B	45	00	9	44
(711)	Steam from other sources.....	A	B	-	-	-	-
(712)	Steam transferred—Credit.....	A	B	-	-	-	-
(713)	Joint expenses—Debit.....	A	B	-	-	-	-
(714)	Joint expenses—Credit.....	A	B	-	-	-	-
Total miscellaneous.....				45	00	9	44
Total production expenses—Steam power.....				9,206,494	15	994,820	29
ELECTRIC GENERATION—HYDRAULIC POWER							
XXXXXXXXXX							
Operation:							
XXXXXXXXXX							
(715)	Supervision and engineering.....	A	B				
(716)	Station labor.....	A	B				
(716.1)	Hydraulic labor.....	A	B				
(716.2)	Prime mover and generator labor.....	A	B				
(716.3)	Electric labor.....	A	B				
(716.4)	Miscellaneous station labor.....	A	B				
(717)	Water for power.....	A	B				
(718)	Supplies and expenses.....	A	B				
(718.1)	Lubricants.....	A	B				
(718.2)	Station supplies.....	A	B				
(718.3)	Station expenses.....	A	B				
Total operation.....							

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550. ELECTRIC OPERATING EXPENSES — Continued

Line No.	Account (a)	CLASS		Amount for year (d)	Increase or decrease from preceding year (e)
		(b)	(c)		
1	TRANSMISSION EXPENSES				
2	Operation:				
3	(743) Supervision and engineering.....	A	B	35,142 83	2,370 65
4	(744) Load dispatching labor and expenses.....	A	B	25,174 96	1,911 84
5	(745) Stations.....		B		
6	(745.1) Station labor.....	A		81,890 41	2,581 79
7	(745.2) Station supplies and expenses.....	A		6,343 14	1,107 23
8	(746) Lines.....		B		
9	(746.1) Overhead lines.....	A		26,241 41	23,677 27
10	(746.2) Underground lines.....	A		5,320 55	828 91
11	Total operation.....			180,113 30	22,572 81
12	Maintenance:				
13	(747) Supervision and engineering.....	A	B	19,779 46	802 52
14	(748) Structures and improvements.....	A	B	13,882 98	1,384 38
15	(749) Station equipment.....	A	B	73,670 32	20,997 67
16	(750) Overhead system.....		B		
17	(750.1) Towers and fixtures.....	A		576 47	3,638 65
18	(750.2) Poles and fixtures.....	A		261 73	124 03
19	(750.3) Conductors and devices.....	A		7,693 03	2,424 59
20	(751) Underground system.....		B		
21	(751.1) Conduit.....	A		131 81	83 95
22	(751.2) Conductors and devices.....	A		4,852 47	1,270 49
23	(752) Roads and trails.....	A	B		
24	Total maintenance.....			120,848 27	18,139 24
25	Miscellaneous:				
26	(753) Rents.....	A	B	125,735 33	2,590 45
27	(754) Joint expenses — Debit.....	A	B	-	-
28	(755) Joint expenses — Credit.....	A	B	-	-
29	Total miscellaneous.....			125,735 33	2,590 45
30	Total transmission expenses.....			426,696 90	1,843 12
31	DISTRIBUTION EXPENSES				
32	Operation:				
33	(756) Supervision and engineering.....	A	B	420,508 91	40,954 64
34	(757) Load dispatching labor and expenses.....	A	B	-	-
35	(758) Distribution office expenses.....		B		
36	(758.1) Distribution maps and records.....	A		137,092 65	11,009 69
37	(758.2) Other distribution office expenses.....	A		-	-
38	(759) Stations.....		B		
39	(759.1) Station labor.....	A		425,464 60	7,792 20
40	(759.2) Station supplies and expenses.....	A		41,849 93	8,908 89
41	(760) Storage batteries.....		B		
42	(760.1) Storage battery labor.....	A		6,681 83	459 12
43	(760.2) Storage battery supplies and expenses.....	A		341 40	2 92
44	(761) Lines.....		B		
45	(761.1) Overhead lines.....	A		456,694 59	45,249 10
46	(761.2) Underground lines.....	A		44,704 21	10,831 43
47	(761.3) Removing and resetting line transformers.....	A		31,687 87	16,465 54
48	(762) Services on customers' premises.....		B		
49	(762.1) Removing and resetting meters.....	A		165,939 27	76,759 22
50	(762.2) Other services on customers' premises.....	A		634,491 37	210,436 46
51	(763) Street lighting and signal systems.....		B		
52	(763.1) Overhead systems.....	A		102,415 50	4,274 55
53	(763.2) Underground systems.....	A		3,218 21	275 98
54	Total operation.....			2,471,590 34	383,913 96

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Item EEEE

NOTES APPLICABLE TO SCHEDULE 579 - GENERATING STATION STATISTICS

[26164]

Item EEEE

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- (A) The capability of this plant for electric generating purposes is limited at times by the requirements for steam from the boilers for use in the Respondent's steam heating operations. No investment in this plant is reflected in the Respondent's Electric Plant Accounts, the generating unit having been written off and the boilers and equipment accessory thereto transferred to Steam Heating Plant Accounts.
- (B) Represents the cost included in Account 100.1 for these properties; does not represent total book costs of these facilities since amounts in Account 100.5 are not included herein.
- (C) Includes 1,489,138 gallons of fuel oil equivalent to 7,846.59 net tons of coal used for incidental purposes, such as starting boilers, etc., and during the coal strike at the end of 1946.
- (D) Includes 1,401,625 cu.ft. of oil refinery gas equivalent to 90.86 net tons of coal and 620,266 cu.ft. of manufactured gas equivalent to 11.99 net tons of coal used for incidental purposes, such as starting boilers, etc.
- (E) Includes 1,239,942 gallons of fuel oil equivalent to 6,584.42 net tons of coal used for incidental purposes, such as starting boilers, etc., and during the coal strike at the end of 1946.
- (F) Includes certain employees whose time is applicable to all stations, but it is not feasible to allocate these employees among the individual stations.

Item III

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ITEM III.

1946

POWER SYSTEM STATEMENT

From

**PENNSYLVANIA WATER & POWER CO. AND
SAFE HARBOR WATER POWER CORP.**

Lexington Building, Baltimore 3, Md.

Covering

Holtwood-Safe Harbor System

to the

FEDERAL POWER COMMISSION

(Excerpts)

Schedule 2

SYSTEM HYDROELECTRIC DATA

A. AGGREGATE DEPENDABLE HYDROELECTRIC CAPACITY AND POTENTIAL ENERGY.

B. This schedule need not be completed if there have been no changes affecting the data previously reported. In such case the following notation should be made at the bottom of the page: "Data reported on FPC Form 12 for the year 1946, correct as of December 31, 1946."

Furnish data indicated below in accordance with the instructions in paragraphs 1-5:

ADVERSE FLOW CONDITIONS

PLANNED USE OF STREAM FLOW AND STORAGE Energy (1,000 Kilowatt-hours)					MACHINE CAPABILITY (Megawatts) ²		Dependable Capacity (Megawatts) ³	
Month	Storage Plants		Run-of-River Plants	Total Available (Col. 2 plus col. 3 plus col. 4)	In Storage End of Month ³	Run-of-River Plants	Storage Plants	
(1)	Natural flow (2)	Storage ¹ (3)	(4)	(5)	(6)	(7)	(8)	(9)
Dec.	x x x x	x x x x	x x x x	x x x x		x x x x	x x x x	x x x x
Jan.		3,600	5,800	9,400		307		238
Feb.		3,400	6,300	9,700		306		232
Mar.		-	6,768	6,768		282		282
April		-	7,128	7,128		297		297
May		-	7,152	7,152		298		298
June		2,400	9,300	11,700		316		263
July		3,600	5,800	9,400		310		238
Aug.		4,200	3,800	8,000		310		221
Sept.		4,600	2,800	7,400		315		215
Oct.		4,500	3,100	7,600		307		212
Nov.		4,500	3,300	7,800		307		261
Dec.		4,300	3,600	7,900		307		275
Year					x x x x	x x x x	x x x x	x x x x

AVERAGE OR MEDIAN FLOW CONDITIONS

PLANNED USE OF STREAM FLOW AND STORAGE Energy (1,000 Kilowatt-hours)						MACHINE CAPABILITY (Megawatts) ²		Dependable Capacity (Megawatts) ³
Month	Storage Plants		Run-of-River Plants	Total Available (Col. 2 plus col. 3 plus col. 4)	In Storage End of Month ³	Run-of-River Plants	Storage Plants	
	Natural flow (2)	Storage ¹ (3)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Dec	x x x x	x x x x	x x x x	x x x x		x x x x	x x x x	x x x x
Jan		-	18,500	18,500		330		330
Feb.		-	18,000	18,000		315		315
Mar.		-	7,704	7,704		321		321
April		-	7,848	7,848		327		327
May		-	7,824	7,824		326		326
June		900	14,800	15,700		316		305
July		1,600	12,100	13,700		310		284
Aug		2,700	8,300	11,000		310		256
Sept.		2,900	7,500	10,400		316		249
Oct		2,700	8,300	11,000		306		251
Nov		-	19,300	19,300		330		330
Dec		-	16,700	16,700		330		330
Year					x x x x	x x x x	x x x x	x x x x

¹ When energy is drawn from storage, show as a positive quantity. When energy is stored, show as a negative quantity in parentheses.

² Change in storage based on entry in column 3.

³ One megawatt equals 1,000 kilowatts.

NOTE - The method or basis used in determining the above data for adverse flow and average or median flow conditions should be explained in accordance with instructions 2 and 3 of this schedule.

Notes:

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Item III

NOTES TO SCHEDULE 2

The Holtwood and Safe Harbor hydroelectric developments of Respondents are predominantly run-of-river plants but have about 6,000,000 Kilowatthours of usable storage at Holtwood and Safe Harbor for regulation on a daily, weekly, or longer basis when low river flows are experienced coincident with peak load periods.

The amounts shown in Columns 3, 4 and 5 are energies for periods of one week, except for the months of March, April and May, which are energies for periods of one day.

The amounts shown in Column 9 for both "most adverse flow conditions" and "median flow conditions", which column is headed "Dependable Capacity", are based on loads estimated for the year 1947 and are the one-hour integrated load carrying capabilities of the system hydro plants for the specified river flow conditions, assuming that the most critical monthly load conditions coincide therewith and storage of various amounts is used for periods of one week during the different months as shown in Column 3. These amounts in Column 9 are not "dependable hydro capacity" in the sense of the installed "dependable steam capacity" replaced on the system by the hydro plants, which amount is that shown as Item 1(b) of Schedule 16 hereof.

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Item III

4716

Schedule 2—Continued

SYSTEM HYDROELECTRIC DATA—Continued

1. The data to be reported in Part A of Schedule 2 are intended to present a realistic picture of the potential energy and capacity of system hydroelectric plants under the specified flow conditions. The data to be reported should be based upon an assumed schedule of system operation that would permit serving the maximum possible annual system load with existing facilities and arrangements for purchase or sale of firm power, assuming a continuance of the relative seasonal and hourly variations of load that occurred during the year of this report. Contracts for purchase or interchange of off-peak energy also may be taken into account. In determining the magnitude of the seasonal load that could be carried by the system and the necessary scheduling of system operations, provisions for necessary maintenance scheduling and reserve capacity to be supplied by own system should be taken into account. Explanatory notes relative to Schedule 16 should be referred to in connection with this schedule. If the seasonal and hourly variations in load are expected to change materially, the information given may be based on the expected load shape, explaining in a footnote.

2. The information to be reported under adverse flow conditions should, in general, be based on stream flows equivalent to the year giving the most adverse flow conditions of record during the critical period of system operation. Where stream-flow records indicate that the most adverse flows are not likely to occur except at long intervals of time and are likely to be of a very short duration, the figures used in determining the capacity and energy available from hydro plants may be modified, treating such abnormal limitations as emergency conditions to be covered by the reserve capacity; such modifications, however, should be fully explained. Any system which maintains comparable data based on flows during a year which would give the minimum potential annual output, or based on minimum flow or output for each month, may report on whichever basis it believes will present the most realistic condition for its system. The basis of reporting should be fully explained in the space provided for notes with addenda sheets if needed.

3. Information to be reported under average or median flow conditions may be made on the assumption of the recurrence of flows equivalent to a year which would give the average annual potential output or may be based on median flow or output for each month, or average flow or output for each month, whichever it is believed will present the most realistic condition for its system. The basis of reporting should be fully explained in footnotes or addenda sheets.

4. "Run-of-river" refers to those plants whose operation cannot be regulated over a period of more than a few hours, either from storage at site or above, but whose operation is, in general, controlled by the volume of flow which must be utilized as it occurs or be wasted.

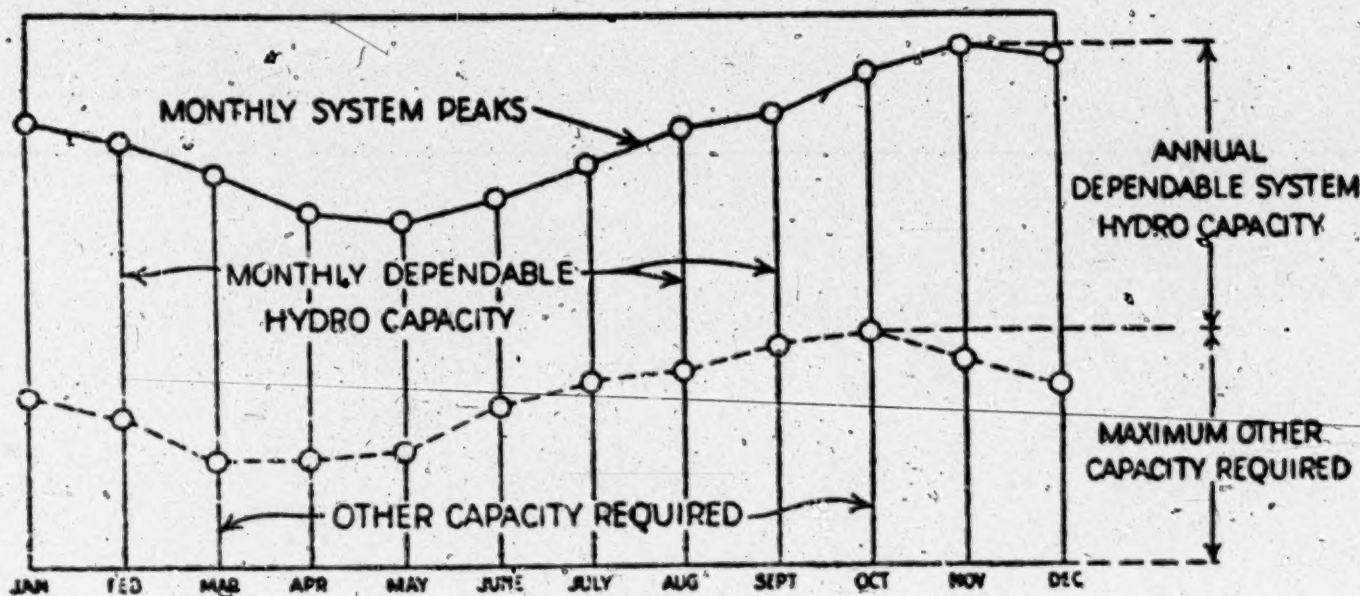
"Storage" refers to those plants whose operations can be varied as desired because of storage at site or above. This regulation may be weekly, monthly, or seasonal.

"Total available energy" refers to the maximum potential output of the existing hydro-generating facilities on the basis of the regulated stream flow, regardless of whether such output can be fully utilized in serving system load or by transfer to other systems. The monthly distribution of storage energy should be such as to permit the serving of the maximum annual peak load under the conditions outlined in instruction 1. However, where required releases for irrigation, navigation, flood control, and other water-use are controlling, the monthly distribution of available energy should reflect the effect of such requirements and full explanation should be given in footnotes.

"Capability" in any month is the machine capability under the most adverse conditions to be expected in that month under the assumed flow conditions without respect to the energy available or the characteristics of the load to be served other than the power factor conditions normally to be expected.

"Dependable capacity" in any month is that capacity that can be relied upon for serving system load and firm power commitments on the basis of the energy available in that month and its use as limited by the characteristics of the load to be served.

5. Dependable hydroelectric capacity as used in this power system statement is intended to be the capacity value of the system hydroelectric plants in serving, together with the other available system capacity, the maximum annual system peak load under the conditions given in instruction 1. For any specified period it represents, on the basis of complete utilization of available storage energy over the critical flow periods, the difference between the peak load for that period and the maximum other capacity required. Where a portion of storage energy is scheduled to be held as a reserve for emergency use only, the dependable capacity should also include the reserve capacity value of such energy reserve. The dependable hydroelectric capacity shown in column 9 under adverse flow conditions for the month of annual peak demand may not necessarily be the same as the annual dependable hydroelectric capacity to be reported in schedule 16, as the annual peak demand may not occur in the month requiring the maximum capacity from other than system hydro-electric plants. This is illustrated by the following graph:



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Item III

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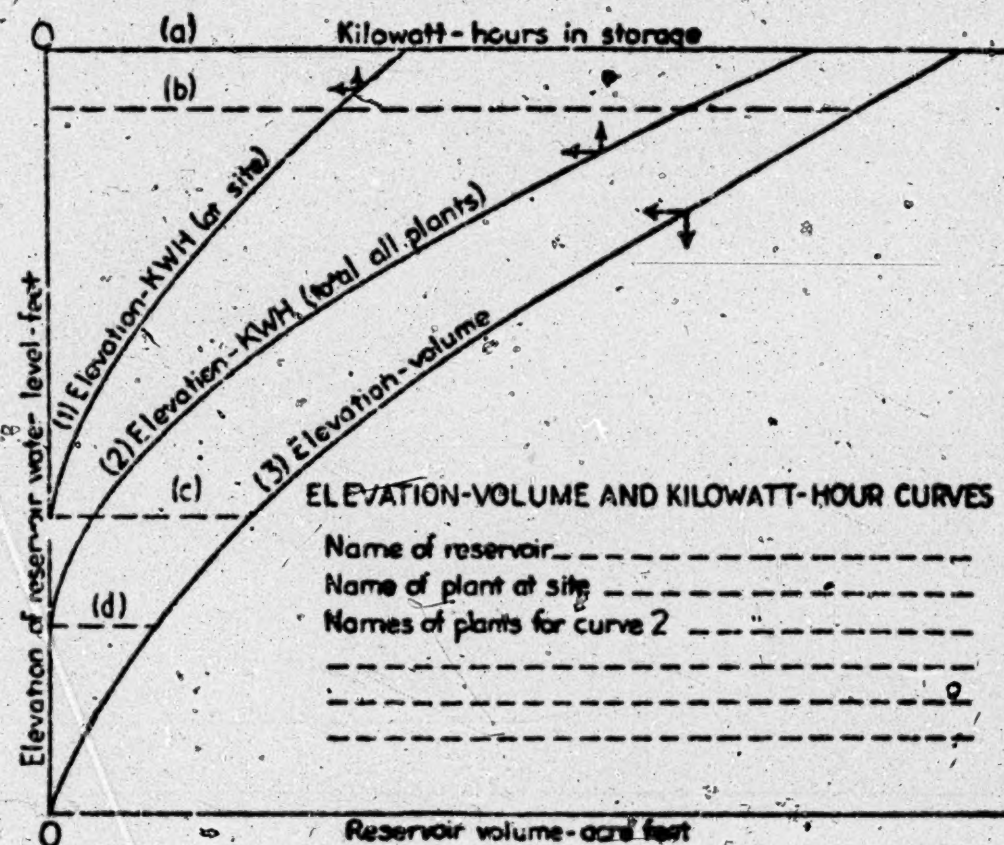
SYSTEM HYDROELECTRIC DATA—Continued

INSTRUCTIONS FOR PARTS B AND C

1. All the data requested on this page should be furnished for reservoirs and plants which were:
 - (a) Constructed, purchased, or leased, and placed in operation by the respondent during the year, or,
 - (b) Operated by the respondent prior to the year covered by this statement but not reported to this Commission in the form prescribed below.
2. Revised data for the appropriate items should be furnished if changes have been made in the installed capacity or design of hydro plants, in available storage, or in "operating rule curves" during the year or the data have not been reported in the prescribed form.
3. For those reservoirs and plants in which no physical change or revision in operating practice has occurred affecting the data previously reported, list on an addenda sheet each reservoir and plant name and the year in which the information was furnished together with the notation "correct as of December 31, 1946."

B. Storage Reservoirs.

1. Furnish "Elevation—Volume" and "Elevation—Kilowatt-hour" curves for each storage reservoir on the system that can provide monthly or seasonal storage. A form for showing these data is illustrated in the accompanying sketch.
2. In addition to the foregoing curves, show (a) the maximum water level without spill (to be furnished for operation without and with flash boards if used), and (b) the maximum water level at which the reservoir is normally carried; (c) the minimum water level of the reservoir for plant operation at the site, and, (d) the minimum water level to which water can be drawn for use at other plants; and (e) capacity-head curves for plants having large variations in head. Elevations should be referred to U. S. G. S. datum (or to the same datum as used in plant layout sketches—see item C (1) below).
3. Furnish "Operating Rule Curves" for each of the foregoing reservoirs, in the form in which they are available, and state period for which curves are applicable.



C. Hydroelectric Power Plants.

1. For each hydroelectric plant of 2,500-kilowatt installed capacity or greater furnish:
 - (a) A sketch of the plant layout, showing elevations, referred to U. S. G. S. datum if such datum is available. Furnish curves showing headwater and tailwater elevations, in feet, plotted against total discharge, including plant use, in cubic feet per second.
 - (b) A photograph of the plant if available.
2. If available, furnish for all hydroelectric plants of 10,000-kilowatt installed capacity or greater, curves showing the relation between over-all water use in cubic feet per second and gross plant load in kilowatts, from minimum to full load at a constant gross head which approximates the average head. The gross head should be stated.

Schedule 13

DEMAND ON GENERATING PLANTS, POWER RECEIVED, AND POWER DELIVERED, FOR RESALE, AT THE TIME OF SYSTEM PEAK LOAD OF THE YEAR

1. This schedule and schedules 14 and 15 are intended to show the load characteristics of the respondent's system in a form that avoids duplication with similar data for other systems. For this purpose the respondent's "system load" for any 60-minute clock-hour interval is defined as being equal to the aggregate of the energy supplied during that interval:

(a) To ultimate consumers of the respondent;

(b) To the systems listed in schedule 8 Part A i.e., to class I and class II systems that received their entire power supply and class III systems that received all or a part of their power supply, from the respondent's system during the year;

(c) To other departments of the respondent; and, for transmission and distribution losses and energy unaccounted for on the respondent's system; and, for the respondent's electric utility operations (exclusive of plant use).

Note that the system load as here defined does not include the demands of other class I and class II systems whose power requirements during the year were not wholly supplied by the respondent's system, i. e., which obtained a part of their requirements from their own generating facilities or from sources other than the respondent's system. Deliveries to such systems, listed in "D" below, must be excluded in order to avoid duplication.

2. Class I and class II systems should furnish the information requested below for the 60-minute clock-hour interval during which the system peak load of the year occurred.

3. All of the demand data called for in this schedule should show integrated kilowatt demands for the 60-minute clock-hour interval during which the system peak load of the year occurred. Where integrated demands for 60-minute clock-hour intervals are not available, it is desired that available data be adjusted to approximate the integrated demand for 60-minute clock-hour intervals. Adjustments made should be explained in footnotes. Where such adjustments cannot be made, demand data should be furnished in the form available.

4. Estimated quantities (noted "Est.") should be furnished where measured data are not available.

Date and hour of system peak load of year	Integrated Demand— Kilowatts (at time of system peak)	Demand Interval	Clock	Hour
May 25 - 1 PM				
A. Combined net demand on system generating plants (from col. 11, line 36, schedule 1)	368,000			1
E. Itemized accounting of power received from other systems and industrial companies, except "border-line" receipts entered on line 40, schedule 8 part A.				
Name of other system				2
				3
				4
				5
				6
				7
				8
				9
				10
Total of lines 2 to 10, inclusive	0			11
C. Demand on generating plants plus power received (line 1 plus line 11)	368,000			12
D. Itemized accounting of power delivered to other systems for resale, except to those listed in schedule 8 part A				
Name of other system				13
Philadelphia Electric Company	14,000			14
Metropolitan Edison Co.	28,000			15
Pennsylvania Power & Light Co.	27,000			16
Consolidated Gas Electric Light & Power Co.	270,000			17
				18
				19
				20
				21
Total of lines 13 to 21, inclusive	339,000			22
E. System peak load of the year (C minus D). This entry should agree with the peak load of the year as shown in schedules 14 and 15, using the same demand interval.	29,000			23
				24
F. System power factor at time of system peak corresponding to item "E" above				25
				26

[26176]

Item III

4719

Schedule 16

SYSTEM DEPENDABLE AND ASSURED CAPACITY

INSTRUCTIONS

1 (a). Show as the dependable capacity of the system fuel plants that capacity which can be relied upon to be available for active or standby service at the usual time of the annual system peak. Allowance should be made for any maintenance outage of equipment which MUST be scheduled during the usual time of the annual system peak, giving an explanation under "Remarks." In the space under "Remarks," show what part of the dependable system fuel capacity is suitable only for short-time operation or standby service.

1 (b). The dependable capacity of system hydro plants, as defined for Schedule 16, relates to the capacity which under the most adverse flow conditions of record can be relied upon to carry system load, provide dependable reserve capacity, and meet firm power obligations, taking into account seasonal variations and other characteristics of the load to be supplied and of the firm power obligations. Some systems may be able to utilize off-peak energy from other systems so as to increase the dependable capacity of the reporting system hydro plants. Where consideration is given to the off-peak energy which can be secured from others, an explanation of the amount and conditions governing the receipt of such energy should be given. In cases where the stream-flow records indicate that the most adverse flows are not likely to occur except at long intervals of time and are likely to be of very short duration, the figures used in determining the capacity available from hydro plants may be modified, treating such abnormal limitations as an emergency condition to be covered by the reserve capacity. Such modifications should be fully explained. Full consideration should be given to data reported in Schedule 2 for adverse flow conditions in computing the annual dependable system hydro capacity.

2. Show the amount of firm power which is intended to be available at the usual time of the annual system peak from utilities, industries, or others. Show amount stated in contract; if it is not a single, definite, fixed amount, explain under "Remarks" or on a separate sheet. DO NOT INCLUDE POWER WHICH MIGHT BE AVAILABLE UNDER INTERCHANGE, EMERGENCY, OR "WHEN, AS, AND IF" ARRANGEMENTS. It is desired that corresponding items reported be in agreement as between the affected companies. It is, therefore, suggested that the companies concerned agree upon the figures to be reported.

3. Show the amount of firm power committed or obligated which is intended to be available at the usual time of the respondent's system peak to other systems. Show amount stated in contract; if it is not a single, definite, fixed amount, explain under "Remarks" or on a separate sheet. DO NOT INCLUDE OBLIGATIONS UNDER INTERCHANGE, EMERGENCY, OR "WHEN, AS, AND IF" ARRANGEMENTS. It is desired that corresponding items reported be in agreement as between the affected companies. It is, therefore, suggested that the companies concerned agree upon the figures to be reported.

5 (a). Show the total amount of reserve capacity, regardless of the source, considered necessary to maintain adequate service at the usual time of the annual system peak, without regard to the relation of net assured capacity to system peak. In general, the largest reduction in dependable capacity which might result from an outage of a generator or boiler unit determines the minimum reserve capacity required. Where unusual conditions obtain, explain fully in the space under "Remarks."

5 (b). Show that portion of the total required reserve capacity which is relied upon to be available at the usual time of system peak under interchange, emergency, or similar agreements with others. In the space under "Remarks" show in detail the sources of this capacity and state what portion is (1) spinning reserve instantly available; (2) available during times of maintenance and inspection; (3) available upon short notice; and (4) length of time available.

5 (c). Show in the space provided for "Remarks" whether the reserve capacity required to be supplied by own plants is available wholly from fuel plants or wholly from hydroelectric plants or a combination of both, and state the length of time this capacity could be depended upon in case of system outages. Some systems having storage hydro may be limited as to the magnitude of load that can be carried by the amount of potential energy available under adverse stream flow conditions. Such systems may have excess peaking capacity, some portion of which can be considered as dependable reserve capacity, provided sufficient energy is held in storage to take care of possible system outages during the critical period. Such capacity should be included in Item 1 (b) with full explanation under "Remarks."

If a considerable amount of energy is normally received from or delivered to others (exclusive of deliveries to systems listed in Schedule 8, Part A) under interchange, emergency, or "When, as, and if" arrangements and such transfers are expected to continue, give a brief description under "Remarks." Where firm power obligations or purchases vary in the amount of capacity that is available for any specific period of time or have limitations as to the amount of energy available, full explanation should be given under "Remarks." Use additional sheets for remarks if necessary.

Remarks:

Item 1(b)

The amount shown hereon as the dependable capacity of system hydro plants was determined in accordance with the instructions to Schedules 2 and 16 and is our determination of the dependable capacity of Respondents' hydroelectric plants in the sense of the installed dependable steam capacity replaced on the interconnected system by such hydro plants. This determination is based on loads now estimated for the year 1947 and takes into account seasonal variations in the firm power load of the interconnected system of area 6, peaking capabilities of system steam capacity, scheduled hydro and steam maintenance requirements and

NOTES TO SCHEDULE 16 (CONT.)

frequency of occurrence, duration and magnitude of high and low river flows in the various seasons throughout the year, together with the requirements for emergency use of stored energy to carry the system load during periods of forced outages of large amounts of system steam capacity.

The dependable capacity of the Holtwood hydroelectric plant of Pennsylvania Water & Power Company is 100 000 kw.

Item 3

Based on loads estimated for the year 1947.

Item 5(a)

This amount is determined as 15%, which is the minimum reserve equipment for the interconnected system of Area 6, of the sum of the non coincident one-hour integrated peak loads ("assured capacity" requirements) of the firm power supply estimated for year 1947 to the Coatesville division of the Philadelphia Electric Co., and the Lancaster division of the Pennsylvania Power & Light Co., both in Area 5. There is no such similar provision made with respect to the firm supply to the Metropolitan Edison Co. since such supply is of "firm capacity" or "dependable capacity" rather than the carrying of a firm load with respect to which "assured capacity" is required to be provided.

[26178]

Item III

4721

SYSTEM DEPENDABLE AND ASSURED CAPACITY

Assuming a continuance of the relative seasonal and hourly variations of load that occurred during the year of this report, show in item 6, as derived below, what MAXIMUM ANNUAL SYSTEM LOAD could be carried with the system facilities and arrangements for the purchase or sale of firm power as they existed at the end of year covered by this report with allowance for reserve capacity theoretically required: (See detailed instructions on page 30.)

	1000 Kilowatts	1000 Kilowatts
1. Net dependable capacity available from:		
(a) System fuel plants <i>including</i> (exclusive of capacity required for station use)	28	
(b) System hydro plants	300	
(c) Subtotal ((a) plus (b))		310*
2. Capacity available from firm purchases		
From:		
Total		
3. Firm obligations to systems listed in schedule B, part B: (At time of annual peak of Area 6)		
To Respondents' Pennsylvania Customers in Area 5	111	
Total		111
4. Net dependable capacity plus net purchases (1 (c) plus 2 minus 3)		199
5. Reserve capacity required (exclusive of reserve for load growth):		
(a) Total reserve for system (Applicable to assumed obligations included in item 3)	15	
(b) Available through interchange or emergency agreements		15
(c) Reserve capacity required to be supplied by own system ((a) minus (b))		
6. Net assured system capacity (4 minus 5 (c)) (Available to Area 6)		184

List below all scheduled alterations, additions, or retirements in system generating plants and changes in firm power contracts with other systems.

[illegible]

1 If the seasonal and hourly variations in load are expected to change materially from those experienced during the year of this report, the information given may be based on the expected load shape, explaining in a footnote.

Remarks:

*After allowance of 18 mw. for transmission losses and station uses.

[26179]

Item IIIII

4722

JAS. L. RINTOUL, EXEC. VICE-PRESIDENT
G. W. SPAULDING, VICE-PRESIDENT

J. A. WALLS, PRESIDENT

J. U. DIENL, TREASURER
WM. H. EICHORN, JR., SECRETARY

Pennsylvania Water & Power Company
Springton Building
Baltimore 4, Md.

June 20, 1947

Mr. R. T. Greer,
Member - Operating Committee,
Consolidated Gas Electric Light and Power Company,
Baltimore-3, Maryland

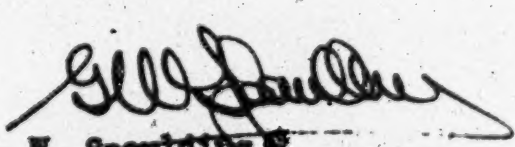
Dear Mr. Greer:

Please find enclosed operating data prepared by this Company for Schedules 2 and 16 of F.P.C. Form 12 for the year 1946. The attached schedules and accompanying notes are being filed by Pennsylvania Water & Power Company and Safe Harbor Water Power Corporation in their Power System Statement to the Federal Power Commission, and these same data are applicable to the Combined System Statement compiled by your Company.

We regret that you did not consult us before this Combined System Report was filed, particularly as such information is presumed to be compiled from data submitted by the several operating companies. Certain of the data which you did incorporate are, in our opinion, incorrect and do not agree with the data shown on the attached schedules as reported for the Penn Water and Safe Harbor System. We believe the statements enclosed are the only correct data for submission to the Federal Power Commission as respects the capacities of this Company and of Safe Harbor Water Power Corporation.

We must, therefore, enter our objection to and disagreement with such data as reported by your Company.

Yours very truly,


G. W. Spaulding
Member - Operating Committee

GWS:F
Encls.

[26180]

Item III

4723

Item JJJJ

4724

ITEM JJJJ.

Electric Utilities and Licensees

(Classes A and B)

ANNUAL REPORT

of

**CONSOLIDATED GAS, ELECTRIC LIGHT AND
POWER COMPANY OF BALTIMORE**

Lexington Building, Baltimore, Maryland

to the

FEDERAL POWER COMMISSION

for the

YEAR ENDED DECEMBER 31, 1946

(Excerpts)

530. SALES TO OTHER ELECTRIC UTILITIES (Account 605)

1. Report below the information called for concerning sales during year to other electric utilities and to cities or other public authorities for distribution to ultimate consumers.

2. Report separately firm, dump, and other power sold to the same company. Describe the nature of any sales classified as Other Power, column (g).

3. If a fixed number of kilowatts of maximum demand is

specified in the power contract as a basis of billing to the customer this number should be shown in column (k). The number of kilowatts of maximum demand to be shown in columns (l) and (m) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (n) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

A. Summary of Sales According to Companies and Points of Delivery

Line No.	Sales to --	Associated utilities	Nonassociated utilities	Municipalities	Firm power	Dump or surplus power	Other power	Sales within State boundaries	Exports across State lines	Point of delivery (If necessary use an insert page and identify points of delivery by line numbers of this schedule)	KILOWATTS OF DEMAND		
											Contract demand	Average monthly maximum demand	Annual maximum demand
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Potomac Electric									(Near Takoma Park, Md.)			
2	Power Company (A)	X			X				X	(and Berne, D.C.)	35,000	12,250	48,000
3													
4													
5	(A) Excludes "Interchange Power" to Potomac Electric Power Company.												
6	552.												
7													
8	(B) Represents average maximum difference during each month computed as explained												
9	in Note (C).												
10													
11	(C) Represents the maximum difference for the year which occurred during the												
12	month of July between Potomac Electric Power Company's load as indicated												
13	by graphic wattmeter and steam line (as defined in Article III, Section 2												
14	of the contract).												
15													
16	(D) Includes 779,000 kw.-hrs. which were purchased by the Respondent as "Inter-												
17	change Power" but generated and used by Potomac Electric Power Company in												
18	its own system.												
19													
20	(E) Includes demand and energy charge for "Firm Power" delivered to Potomac												
21	Electric Power Company. See Article IX, Section 1 of contract on file with												
22	the Commission.												
23													
24													
25													
26													
27													
28													
29													
30													
31													
32													
33													
34													
35													
										TOTAL	35,000	12,250	48,000

B. Summary of Sales According to Statistical Classifications

51	Associated utilities
52	Nonassociated utilities
53	Municipalities
54	Firm power
55	Dump or surplus power
56	Other power
57	Sales within State boundaries
58	Exports across State lines
	(Do not insert)

[26182]

Item JJJ

4725

551. PURCHASED POWER (ACCOUNT 738)

- specified in the power contract as a basis of billing this number should be shown in column (m). The number of kilowatts or maximum demand to be shown in columns (n) and (o) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (p) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

A. Summary of Purchases According to Companies and Points of Receipt

[illegible]

B. Summary of Purchases According to Statistical Classifications

51	Associated utilities	
52	Nonassociated utilities	
53	Associated nonutilities	
54	Other nonutilities	
55	Municipalities	
56	Firm power	
57	Dump or surplus power	
58	Other power	
59	Purchases within State boundaries	
60	Imports across State lines	
	(Do not total.)	

Item JJJJ

1946
Consolidated Gas Elec. & Power

Page 522A

NOTES APPLICABLE TO SCHEDULE 551 - PURCHASED POWER

- (A) Not available; see, also, Note B.
- (B) The Respondent and Pennsylvania Water & Power Company, under a long-term contract continuing until April 22, 1980, purchase two-thirds and one-third, respectively, of the entire electrical capacity and energy available from Safe Harbor Water Power Corporation's hydro-electric development on the Susquehanna River. The Respondent also purchases, under another long-term contract continuing until April 22, 1980, all of the electrical capacity and energy available to Pennsylvania Water & Power Company produced at its own plants and purchased by it from the Safe Harbor Water Power Corporation, except such energy as is sold by Pennsylvania Water & Power Company to its Pennsylvania Customers. Under the above contracts, Respondent purchased 570,025,000 kwh. from Safe Harbor Water Power Corporation and a net amount of 56,017,000 kwh. from Pennsylvania Water & Power Company for the year 1946. The coordination and interconnection of the plants at Holtwood and Safe Harbor with the plants owned by Respondent create a power pool wherein the flow of energy is such that energy purchases from individual sources cannot be traced to the points of receipt. Under these contracts the Respondent pays annual amounts for all power available from said developments which are independent of the volume of energy received and which produce annual net operating revenue to those companies as stipulated in the contracts, after providing for their reasonable operating expenses including taxes, etc. Amount shown as payment to Pennsylvania Water & Power Company does not include \$36,551.75 allocated by Respondent to transmission expense.
- (C) Conowingo Substation of The Pennsylvania Railroad Company.
- (D) Energy is metered at 132,000, 33,000 and 13,200 volts.
- (E) Energy is metered at 6,600 volts.

[26185]

Item JJJJ

4727

Item KKKK

4729

ITEM KKKK.

Electric Utilities and Licensees

(Classes A and B)

ANNUAL REPORT

of

CONSOLIDATED GAS ELECTRIC LIGHT AND
POWER COMPANY OF BALTIMORE

Lexington Building, Baltimore, Maryland

to the

FEDERAL POWER COMMISSION

for the

YEAR ENDED DECEMBER 31, 1944

(Excerpts)

[26198] (Page 522A)

NOTES APPLICABLE TO SCHEDULE 551. PURCHASED POWER

- (A) Not available; see, also, Note B.
- (B) The Respondent, under long-term contracts (copies of which are on file with the Commission) with Pennsylvania Water & Power Company and Safe Harbor Water Power Corporation, is entitled to all power generated at Safe Harbor Water Power Corporation's hydroelectric development on the Susquehanna River and at the Holtwood hydroelectric and steam-electric plants of the Pennsylvania Water & Power Company, except such power as may be sold by those companies to other customers. Under these contracts the Respondent pays annual amounts for all power available from said developments which are independent of the volume of energy received and which when added to revenue from power so sold to other customers produce annual net operating revenue to those companies as stipulated in the contracts, after providing for their operating expenses and taxes. Amount shown as payment to Pennsylvania Water & Power Company does not include \$32,126.87 allocated by Respondent to transmission expense.
- (C) Delivery of energy is made to Respondent in Maryland and title passes at time of delivery.
- (D) Conowingo Substation of The Pennsylvania Railroad Company.

4731

**Joint Petition of the Mayor and City Council of Baltimore,
County Commissioners of Baltimore County, Bethlehem-Fairfield Shipyard, Inc., and Rustless Iron & Steel
Corp, dated August 12, 1944.**

[26215]

Baltimore, Maryland
August 12, 1944

FEDERAL POWER COMMISSION

Aug 14 1944

RECEIVED

Hon. Basil Manly
Acting Chairman—Federal Power Commission
18th Street and Pennsylvania Avenue, N. W.
Washington, D. C.

Dear Commissioner Manly:

The undersigned are counsel for certain intervenors in an investigation now pending before the Maryland Public Service Commission of the rates for electric service charged by the Consolidated Gas Electric Light and Power Company of Baltimore. The purpose of this letter is to request your Commission to determine, at the earliest convenient date, the just and reasonable wholesale rates charged for electric energy which is sold to the Consolidated Company in interstate commerce by two hydro-electric companies whose plants are located in the State of Pennsylvania, namely, Pennsylvania Water and Power Company and Safe Harbor Water Power Corporation. Reference is made to an interview which one of the undersigned, Mr. Charles C. G. Evans, had with your Commission some weeks ago at which this matter was informally discussed.

The Mayor and City Council of Baltimore, a municipal corporation of Maryland, is interested in the rates charged by the river companies in two respects and capacities. First, it is one of the largest single consumers of gas and electric energy supplied by the Consolidated Gas Electric Light and

Power Company of Baltimore in connection with the lighting of its streets and public buildings. Second, it is deeply concerned with the rates charged to other ratepayers in Baltimore City by that company. Baltimore County has a similar concern with regard to its own consumption and that of its residents.

The investigation here has proceeded to a point where it has become apparent that the rates of the Consolidated Company cannot be effectively determined unless determinations are also made of the just and reasonable wholesale rates at which this Company purchases energy in interstate commerce from the two hydro-electric companies. It also appears that the wholesale rates of these two companies, which have never been regulated, are grossly excessive. Evidence already submitted to the Maryland Commission tends to show *prima facie* that, on the basis of book figures and a return of five and a half per cent., a reduction is indicated of at least \$2,500,000 in the annual power bills paid these companies by [26216] (page 2) the Consolidated Company. In this connection we beg to call your attention to the fact that in case known as Docket IT-5494, decided June 11, 1940, the Federal Power Commission found the rates of Safe Harbor Water Power Corporation to be excessive. Yet, notwithstanding the considerable time which has elapsed since this finding was made, the ratepayers affected, including the undersigned, have obtained no relief.

On June 27, 1944, People's Counsel for the State of Maryland, an official appointed by the Governor and charged by statute with the duty of representing the interest of the public in cases involving the rates and practices of public utility corporations, formally petitioned the Maryland Public Service Commission to request your Commission to make the rate determinations here requested. The undersigned joined in that application. While no order has been passed upon those petitions, we understand informally that joint hearings with regard to these rates are

contemplated by the Maryland and Pennsylvania commissions.

While Safe Harbor Water Power Corporation is a licensee under the Federal Power Act, the Pennsylvania Water and Power Company is not a licensee. Furthermore, a portion of the energy sold by the latter company in interstate commerce is generated by a steam plant.

In view of the clearer jurisdiction of the Federal Power Commission and its superior facilities for making these determinations, we respectfully request that the Federal Power Commission itself determine these rates and if practicable afford relief by interim orders.

Respectfully,

THOMAS J. TINGLEY

Assistant City Solicitor
Attorney for Mayor and City Council of Baltimore

MICHAEL PAUL SMITH

Attorney for County Commissioners of Baltimore County

CHARLES C. G. EVANS

Attorney for Bethlehem-Fairfield Shipyard, Inc.

JOHN HENRY LEWIN

Attorney for Rustless Iron & Steel Corporation

4734

**Letter of Public Service Commission of Maryland Dated
August 30, 1944 Requesting Rate Investigation.**

[26217]

(included herein as part of Item R at Page 25523D)

**Letter Dated November 16, 1945 from Federal Power
Commission Outlining Order of Procedure.**

[26257]

FEDERAL POWER COMMISSION

Washington 25

Nov 16 1945

Pennsylvania Water & Power Company,
Lexington Building,
Baltimore, Maryland.

Re: Pennsylvania Water & Power Company
Docket No. IT-5915

Gentlemen:

Enclosed is the order entered by the Commission on November 9, 1945, in the above entitled proceeding.

The order of procedure at the public hearing in this proceeding will be for the Pennsylvania Water & Power Company to proceed first with the presentation of its evidence; for the Susquehanna Transmission Company of Maryland, Consolidated Gas Electric Light & Power Company of Baltimore, Pennsylvania Public Utility Commission, Public Service Commission of Maryland, and the staff of the Federal Power Commission to follow with the presentation of their evidence in the order named, while the order of presentation of evidence by any other participant shall be as determined at the hearing by the presiding Commissioner, Examiner, or other representative of the Commission.

Very truly yours,

/s/ J. H. GUTRIDE,

J. H. Gutride,

Acting Secretary.

Enclosure.
Registered

**Petition for Specification of Issues filed April 3, 1946 by
Pennsylvania Water & Power Company and Susque-
hanna Transmission Co., of Maryland.**

[26279]

**UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION**

**In the Matter of
PENNSYLVANIA WATER & POWER
COMPANY**

Docket No. IT-5915

**PETITION FOR SPECIFICATION OF ISSUES AND
RECONSIDERATION OF DIRECTION FIXING
ORDER OF PROCEDURE**

Reserving to themselves all or any questions of jurisdiction available to them, whether or not specifically referred to herein, come the Pennsylvania Water & Power Company and the Susquehanna Transmission Company of Maryland and respectfully petition the Commission for specification of the issues and for reconsideration of the direction of the Commission fixing the order of procedure, for the following reasons:

(1) Your Commission's Order Instituting Investigation, dated September 1, 1944, in the above-entitled matter, recited among other things that it was issued upon consideration of a petition filed on August 31, 1944, by the Maryland Public Service Commission requesting that your Commission institute an investigation of the interstate wholesale rates of the Safe Harbor Water Power Corporation and the Pennsylvania Water & Power Company; and upon consideration of a joint petition filed on August 14, 1944, by counsel for the Mayor and City Council of Baltimore, Maryland, counsel for the County [26280] (page 2) Commissioners of Baltimore County, Maryland, counsel for Bethlehem-Fairfield Shipyard, Inc., and counsel for Rust-

less Iron & Steel Corporation, also requesting your Commission to institute such an investigation. Examination of the public record in the matter of Safe Harbor Water Power Corporation, F. P. C. Docket No. IT-5914, shows that the Maryland Commission, by letter dated August 30, 1944, and filed on August 31, 1944, requested your Commission to determine reasonable rates to be charged by Safe Harbor Water Power Corporation and by Pennsylvania Water & Power Company for energy sold to Consolidated Gas Electric Light and Power Company of Baltimore, without alleging that any of such existing rates were unjust, unreasonable, unduly discriminatory, preferential or excessive. Such letter included a statement that the State Commissions were ready to engage in cooperative regulation, and forwarded copies of schedules 10 to 13, inclusive, of exhibit No. 1 of Maryland People's Counsel in a proceeding before the Maryland Commission involving the rates of Consolidated Company. The same record shows that the joint petition referred to above was a letter, under date of August 12, 1944, which requested your Commission to determine the just and reasonable wholesale rates charged for electric energy sold to Consolidated Company in interstate commerce by the Safe Harbor Water Power Corporation and the Pennsylvania Water & Power Company. Such joint petition stated that it was understood that joint hearings with regard to such rates were contemplated by the Maryland and Pennsylvania Commissions; and alleged among other things that the wholesale rates of Pennsylvania [26281] (page 3) Water & Power Company and Safe Harbor Water Power Corporation are excessive, without specifying which of the companies' rates or charges were so excessive and in what respects it is contended they are excessive; and further alleged that on the basis of evidence submitted to the Maryland Commission a specific reduction was indicated in the annual power bills of the Consolidated Company. There is no allegation in either the petition of

the Maryland Commission or in such joint petition that the Maryland and Pennsylvania Commissions are unable to agree on the services to be rendered or on the rates or charges of payment therefor of Pennsylvania Water & Power Company and Safe Harbor Water Power Corporation. No copies of such request by the Maryland Commission with accompanying documents, or such joint petition, or the evidence relied upon submitted to the Maryland Commission were ever served upon your Petitioners and your Petitioners were not parties to said proceeding before the Maryland Commission involving the rates of the Consolidated Company. Nor were any statements of the complaints contained in such petitions forwarded by your Commission to your Petitioners.

(2) The Commission's Order Instituting Investigation, dated September 1, 1944, ordered an investigation instituted to enable the Commission:

- (A) To determine whether, in connection with any transmission or sale of electric energy subject to the jurisdiction of this Commission under the Federal Power Act, by Pennsylvania Water & Power Company, any rates, charges, or classifications demanded, observed, charged, or collected, or any rules, regulations, practices, or contracts affecting such rates, charges or classifications, are unjust, unreasonable, unduly discriminatory or preferential; and

[26282] (page 4)

- (B) If, after hearing, it shall find that any of such rates, charges, classifications, rules, regulations, practices, or contracts are unjust, unreasonable, unduly discriminatory, or preferential, to determine and fix by appropriate order or orders, just and reasonable rates, charges, classifications, rules, regulations, practices, or contracts to be thereafter observed and in force.

Such Order of Investigation did not specify which of your Petitioners' rates, charges or classifications, contained in various contracts mentioned in paragraph (c) of an "appearing" clause of the Order, are considered by the Commission as subject to its jurisdiction and under investigation; and did not specify in what respects it is contended, if at all, that any of such rates, charges, or classifications, or any of the rules, regulations, practices or contracts affecting them, are unjust, unreasonable, unduly discriminatory or preferential. Nor does such Order specify whether the Commission is exercising jurisdiction under Part I or Part II of the Federal Power Act. There is no finding by the Commission in such Order that the States of Pennsylvania and Maryland are unable to agree through their properly constituted authorities on the services to be rendered or on the rates or charges of payment therefor of Pennsylvania Water & Power Company by itself or jointly with others, as a prerequisite under Section 20 of Part I of the Act before the Commission has jurisdiction to act under such Section 20. On the contrary the aforementioned petition of the Maryland Commission shows on its face that such State Commissions are not unable to agree on the services to be rendered or on the rates and charges of payment therefor of Pennsylvania Water & Power Company by itself or jointly with others.

[26283] (page 5)

(3) A Supplemental Order Enlarging Investigation, dated October 3, 1944, in the above-entitled matter, recited that Susquehanna Transmission Company of Maryland owns facilities used in the rendering of interstate service by Pennsylvania Water & Power Company and Safe Harbor Water Power Corporation and ordered that:

(A) The investigation instituted by the Commission's order of September 1, 1944, be and the same is hereby enlarged to include Susquehanna Trans-

mission Company of Maryland for the purpose of enabling the Commission to determine whether, in connection with any transmission or sale of electric energy by Pennsylvania Water & Power Company or Susquehanna Transmission Company of Maryland subject to the jurisdiction of the Commission, any rates, charges, or classifications demanded, observed, charged or collected, or any rules, regulations, practices, or contracts affecting such rates, charges or classifications, are unjust, unreasonable, unduly discriminatory or preferential; and

- (B) If, after hearing, it shall find that any of such rates, charges, classifications, rules, regulations, practices or contracts are unjust, unreasonable, unduly discriminatory, or preferential, to determine and fix by appropriate order or orders, just and reasonable rates, charges, classifications, rules, regulations, practices, or contracts to be thereafter observed and in force.

Such Supplemental Order did not specify which of your Petitioners' rates, charges or classifications are considered by the Commission as subject to its jurisdiction and under investigation; and did not specify in what respects it is contended, if at all, that any of such rates, charges or classifications, or any of the rules, regulations, practices or contracts affecting them, are unjust, unreasonable, unduly discriminatory or preferential. Nor does such Order specify whether the Commission is exercising jurisdiction under Part I or Part II of the Act; nor were there any of the findings necessary for [26284] (page 6) jurisdiction under Part I of the Act, as outlined in paragraph (2) above.

- (4) If Pennsylvania Water & Power Company is to be treated as if a Licensee under Part I of the Act by virtue of the Commission's Order of November 3, 1939, in Docket

No. IT-5524, as indicated by paragraph (b) of the "appearing" clause of the Commission's Order of September 1, 1944, in the above-entitled matter, or if Pennsylvania Water & Power Company is to be considered a purchaser of power from Safe Harbor Water Power Corporation, a Licensee, for use in public service; then under Part II of the Act the Commission has no jurisdiction to regulate the rates or charges of Pennsylvania Water & Power Company or of that Company and Safe Harbor Water Power Corporation for service rendered jointly.

(5) Under Section 20 of Part I of the Act any rate regulatory jurisdiction the Commission may have is limited to the authority to regulate and control so much of the services rendered by Pennsylvania Water & Power Company jointly with others, and of the joint rates and charges of payment therefor as constitute interstate or foreign commerce. If under Part II of the Act the Commission has any rate regulatory jurisdiction, it is limited by Sections 201 (b) and 206 (a) to authority, under appropriate circumstances, for the determination and fixation by order of future just and reasonable rates, charges or classifications for any transmission of electric energy in interstate commerce or for any sale of electric energy at wholesale in interstate commerce, or of future rules, regulations, practices or contracts affecting such interstate rates, charges or classifications. [26285] (page 7) The Commission has no jurisdiction under Part II to regulate rates, charges or classifications for any sales of electric energy other than for sales of electric energy at wholesale in interstate commerce. Pennsylvania Water & Power Company renders services to the Pennsylvania Railroad Company jointly with the Safe Harbor Water Power Corporation, the Consolidated Company and the Potomac Electric Power Company of Washington, D. C., for which joint charges are made under joint rates. Part of such services do not constitute interstate or foreign commerce and none

of such services and the payments received therefor constitutes a sale of electric energy at wholesale, within the meaning of Section 201 of Part II of the Act. In addition, a large proportion of the revenues received by Pennsylvania Water & Power Company, for services other than to the Pennsylvania Railroad Company, are for services rendered by itself and jointly with Safe Harbor Water Power Corporation in the State of Pennsylvania in intrastate commerce. Such services do not constitute interstate or foreign commerce, and the rates, charges and classifications therefor are not for the transmission of electric energy in interstate commerce or for the sale of electric energy at wholesale in interstate commerce.

(6) All of the services rendered by Pennsylvania Water & Power Company, except those rendered to Metropolitan Edison Company in the State of Pennsylvania and in addition to those rendered to the Pennsylvania Railroad Company described above, are rendered jointly with Safe Harbor Water Power Corporation; and the rates and charges for such services are joint rates and charges from which [26286] (page 8) Pennsylvania Water & Power Company derives revenues in the form of divisions of such rates and charges. The Commission is without jurisdiction under the Act to regulate or control or to determine and fix by order the just and reasonable divisions of such joint rates or charges, or to regulate the revenues to be received by Pennsylvania Water & Power Company from such divisions. The Commission is without jurisdiction to regulate or control or to determine and fix by order any of such joint rates or charges without giving a fair hearing to all participants in such joint services and the rates and charges of payment therefor. None of such other participants have been made respondents in the above-entitled matter.

(7) By Order, dated November 9, 1945, in the above-entitled matter, the Commission ordered a hearing be held.

Such hearing is now set for April 15, 1946. In a letter dated November 16, 1945, from the Acting Secretary of the Commission to your Petitioners, enclosing copies of the Order fixing Date of Hearing on November 9, 1945, the order of procedure at the public hearing was specified as follows:

The order of procedure at the public hearing in this proceeding will be for the Pennsylvania Water & Power Company to proceed first with the presentation of its evidence; for the Susquehanna Transmission Company of Maryland, Consolidated Gas Electric Light & Power Company of Baltimore, Pennsylvania Public Utility Commission, Public Service Commission of Maryland, and the staff of the Federal Power Commission to follow with the presentation of their evidence in the order named, while the order of presentation of evidence by any other participant shall be as determined at the hearing by the presiding Commissioner, Examiner, or other representative of the Commission.

[26287] (page 9)

By such letter Petitioners are required to proceed first with the presentation of their evidence before hearing the contentions and evidence of the joint petitioners complaining of your Petitioners' rates and charges who are or may become Intervenor in the above-entitled matter, the Maryland Commission, the Pennsylvania Commission, the Consolidated Company, or the staff of your Commission, in a proceeding initiated at the request of the Maryland Commission and on the complaint of others. Neither such letter nor any of the Commission's Orders in the above-entitled matter specify what evidence it is desired that your Petitioners produce at the hearing.

(8) The rates, charges and classifications, made, demanded, received, observed, charged and collected by Pennsylvania Water & Power Company by itself and jointly with others, and the rules, regulations, practices and con-

tracts affecting such rates, charges and classifications are now lawfully in force under the laws of the United States and of the State of Pennsylvania, are not unjust, unreasonable, unduly discriminatory or preferential, and are therefore now unlawful unless and until shown by adequate evidence and found by competent authority to be unjust, unreasonable, unduly discriminatory or preferential, after a fair hearing.

(9) The effect of the requirements of the Commission's letter of November 16, 1945, together with the Orders heretofore issued in the above-entitled matter, is to require Petitioners to proceed with unspecified evidence as to the reasonableness of their rates, charges and classifications, now lawfully in force under the [26288] (page 10) laws of the United States and of the State of Pennsylvania, without fair notice, evidence or findings (a) as to the statutory basis of the exercise of any rate regulatory jurisdiction by the Commission; (b) as to which of such rates, charges or classifications, if any, are subject to the jurisdiction of the Commission and under investigation; or (c) as to the contentions of or facts relied upon by the complainants, the Consolidated Company as a customer of Pennsylvania Water & Power Company and Safe Harbor Water Power Corporation jointly, the State Commissions, or the Government as represented by the staff of the Commission with respect to the just or unjust, reasonable or unreasonable, non-discriminatory or discriminatory, or non-preferential or preferential character of any of Petitioners' rates, charges or classifications, or any of the rules, regulations, practices or contracts affecting them; thereby depriving Petitioners of the fair hearing required by the Federal Power Act and the due process clause of the 5th Amendment to the Constitution of the United States.

(10) Such requirements will also (a) tend to prolong unduly the hearings by encouraging the production of evidence which may not be necessary to be produced if the

contentions as to the basis and scope of the jurisdiction of the Commission and the contentions and issues with respect to Petitioners' rates, charges, classifications, rules, regulations, practices and contracts were adequately defined; and (b) tend to produce a disorderly record by the presentation of evidence by Petitioners without adequate knowledge of the contentions and issues, if any, by process of direct and [26289] (page 11) rebuttal evidence instead of by rebuttal evidence alone, if any, after adequate knowledge of the contentions, issues and evidence of complainants, Consolidated Company, the State Commissions and the staff of the Commission.

(11) Evidence in the possession of the other participants in the joint services participated in by Pennsylvania Water & Power Company, necessary to a lawful determination of the justness or reasonableness of the joint rates or charges therefor, is peculiarly within the knowledge of such other participants; and it is therefore unfair to your Petitioners and unreasonable to require them to produce any such evidence or to require Petitioners to produce only a part of such necessary evidence before hearing and without adequate knowledge of the remaining part in the possession of such other participants.

Wherefore, your Petitioners pray that the Commission relieve them of the requirement to proceed first with the presentation of their evidence at the hearing in the above-entitled matter; require any intervening parties complaining of Petitioners' rates, charges or classifications, or any rules, regulations, practices or contracts affecting them, to so proceed first; require the Consolidated Gas Electric Light & Power Company of Baltimore, the Public Service Commission of Maryland, the Pennsylvania Public Utility Commission, the staff of the Federal Power Commission, to so proceed before requiring the Petitioners to proceed with the presentation of their evidence; and require the staff of the Commission and all such parties other [26290] (page

12) than your Petitioners to file a written statement prior to hearing as to their contentions with respect to, (a) the statutory basis of the exercise of the Commission's jurisdiction in the above-entitled matter; (b) which of your Petitioners' rates, charges or classifications, if any, are subject to the jurisdiction of the Commission and under investigation; and (c) the unjust, unreasonable, unduly discriminatory or preferential character of any of such rates, charges or classifications, and of any rules, regulations, practices, or contracts affecting such rates, charges or classifications.

HEWES AND AWALT

By F. G. AWALT

822 Connecticut Avenue

Washington 6, D. C.

Attorneys for Pennsylvania Water
& Power Company and Susque-
hanna Transmission Company of
Maryland.

4746

Letter to Maryland Public Service Commission from Federal Power Commission, dated June 2, 1949, transmitting proposed Electric Tariff.

[26783]

JUN—2 1949

FEDERAL POWER COMMISSION

DOCKETED

June 2, 1949

NW

DOCKET SECTION

SECRETARY'S OFFICE

Docket No. IT-5915

Maryland Public Service Commission

Baltimore, Maryland

Gentlemen:

There is inclosed a copy of a proposed Electric Tariff recently tendered for filing by Pennsylvania Water & Power Company in response to this Commission's order issued January 5, 1949 prescribing an annual rate reduction in the interstate wholesale rates and charges of \$1,954,261 on the basis of 1946 sales and services. There is also inclosed a copy of this Commission's order issued January 5, 1949 which is referred to in the company's proposed Tariff.

The Commission will appreciate receiving by June 14, 1949 any comments or suggestions you may desire to make concerning this proposed FPC Electric Tariff. Please forward your response in duplicate.

Very truly yours,

LEON M. FUQUAY

Secretary.

Inclosure No. 35053

RATES

JLB:hb

6-2-49

E S C

Same letter sent to companies listed on attached sheet.

[26784]

Pennsylvania Public Utility Commission
Harrisburg, Pennsylvania

Mr. Simon E. Sobleoff, City Solicitor
Baltimore, Maryland

Mr. Thomas J. Tingley, Asst. City Solicitor
Baltimore, Maryland

Metropolitan Edison Company
412 Washington Street
Reading, Pennsylvania

Consolidated Gas, Electric Light & Power Company of
Baltimore
Lexington and Liberty Streets
Baltimore 3, Maryland

Pennsylvania Power & Light Company
Ninth and Hamilton Streets
Allentown, Pennsylvania

Philadelphia Electric Company
1000 Chestnut Street
Philadelphia 5, Pennsylvania

4748

Letter to Federal Power Commission from Pennsylvania
Public Utility Commission, dated June 8, 1949, in re-
spect to proposed Electric Tariff.

[26785]

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, June 8, 1949

IN REPLY PLEASE
REFER TO OUR FILE

Received
Jun 9 1 09 PM '49
Federal Power Commission
FEDERAL POWER COMMISSION
DOCKETED
Jun 9, 1949
NW
DOCKET SECTION
SECRETARY'S OFFICE

Docket No. IT-5915

Leon M. Fuquay, Secretary
Federal Power Commission
Washington 25, D. C.

Dear Sir:

This will acknowledge receipt of your letter dated June 2, 1949, enclosing a copy of proposed electric tariff tendered for filing by Pennsylvania Water & Power Company in compliance with the order of your Commission issued January 5, 1949, together with a copy of the order.

As you know this Commission has appealed from the order of the Federal Power Commission, the case being docketed at No. 10239 in the United States Court of Appeals for the District of Columbia Circuit, on the grounds, inter alia, that your Commission lacked jurisdiction to make the order of January 5, 1949.

Since the requirement of filing a tariff presupposes jurisdiction over the rates and charges of Pennsylvania Water & Power Company, this Commission must object to the filing, without, however, commenting on the form or contents of the tariff itself.

Very truly yours,

JOHN SIGGINS, JR.

John Siggins, Jr.

Chairman

4750

Letter to Federal Power Commission from Philadelphia Electric Company, dated June 10, 1949, in respect to proposed Electric Tariff.

[26786]

PHILADELPHIA ELECTRIC COMPANY

1000 Chestnut Street
Philadelphia 5, Pa.

N. E. FUNK
Executive Vice-President

June 10, 1949

FEDERAL POWER COMMISSION

DOCKETED

Jun 13, 1949

NW

DOCKET SECTION

SECRETARY'S OFFICE

Docket No. IT-5915

Mr. Leon M. Fuquay, Secretary,
Federal Power Commission,
Washington 25, D. C.

Dear Sir:

This will acknowledge your letter dated June 2, 1949, enclosing copy of the proposed Electric Tariff tendered for filing by Pennsylvania Water & Power Company in response to the Federal Power Commission Order issued January 5, 1949, together with a copy of the said Order.

Philadelphia Electric Company has no comment or suggestion to make at this time relative to the proposed Electric Tariff.

Very truly yours,

N. E. FUNK
Executive Vice-President

NEF:C

Letter to Federal Power Commission from Metropolitan Edison Company, dated June 9, 1949, in respect to proposed Electric Tariff.

[26787]

METROPOLITAN EDISON COMPANY

412 Washington Street
Reading, Pa.

Received

Jun 14 10 13 AM '49

Federal Power Commission

June 9, 1949
Docket No. IT-5915

FEDERAL POWER COMMISSION

DOCKETED

Jun 14, 1949

NW

DOCKET SECTION

SECRETARY'S OFFICE

Mr. Leon M. Fuquay, Secretary
Federal Power Commission
Washington 25, D. C.

Dear Sir:

Without prejudice to any position which this Company may take with respect to the tariff hereinafter referred to, we acknowledge receipt of your letter of June 2, 1949 inclosing a copy of a proposed FPC Electric Tariff recently tendered for filing by Pennsylvania Water & Power Company with your Commission.

Very truly yours,

O. Titus

O. Titus

President

OT:DS

Letter to Federal Power Commission from Pennsylvania Power & Light Company, dated June 13, 1949, in respect to proposed Electric Tariff.

[26788]

PENNSYLVANIA POWER & LIGHT COMPANY

Ninth and Hamilton Streets

Allentown, Pa.

June 13, 1949

FEDERAL POWER COMMISSION

DOCKETED

Jun 14, 1949

NW

DOCKET SECTION

SECRETARY'S OFFICE

Mr. Leon M. Fuquay

Secretary

Federal Power Commission

Washington 25, D. C.

DOCKET NO. IT-5915

Dear Sir:

This will acknowledge receipt of your letter of June 2nd, enclosing a copy of a proposed Electric Tariff recently tendered for filing by Pennsylvania Water & Power Company in response to the Commission's order issued January 5, 1949 at Docket No. IT-5915.

We have no comments or suggestions to make concerning this proposed tariff. This statement is made, of course, without prejudice to any legal rights we may have in the premises.

Very truly yours,

H. FERGUSON

H. Ferguson

Vice President, Operating Department

Letter to Federal Power Commission from City of Baltimore, dated June 13, 1949, in respect to proposed Electric Tariff.

[26789]

(Seal of City of Baltimore)

DEPARTMENT OF LAW

217 Court House

Baltimore 2, Maryland

June 13, 1949

THOMAS N. BIDDISON

City Solicitor

Received

Jun 14 10 11 AM '49

Federal Power Commission

FEDERAL POWER COMMISSION

DOCKETED

Jun 14, 1949

NW

DOCKET SECTION

SECRETARY'S OFFICE

Docket No. IT-5915

Federal Power Commission

Washington—25, D. C.

ATTENTION—Mr. Leon M. Fuquay

Gentlemen:

Your letter dated June 2, 1949, enclosing a proposed electric tariff recently tendered for filing by the Pennsylvania Water and Power Company, and a copy of the Commission's Order issued January 5, 1949 in connection with same, was received in due course.

Speaking for Baltimore City, we feel that the schedules issued by the Pennsylvania Water and Power Company in said tariff violate the Order of the Commission, and that

the Commission should reject them and promptly issue proper schedules under the power referred to in Paragraph E of the Order of January 5, 1949.

The City's appearance as observer throughout these proceedings was not expanded because of the very active participation of the Consolidated Gas Electric Light and Power Company of Baltimore and the Public Service Commission of Maryland, which resulted in full presentation of of the position which the City would have maintained. The Orders of the Commission basically recognize that position. ~~We feel we have the right to rely upon the Commission to implement its Orders to proper rate schedules.~~

In this respect, we would like to state that the City of Baltimore and its consuming public have paid electric rates for many years predicated in part upon the charges for hydro-power contained in the basic contracts between the Pennsylvania Water and Power Company, Safe Harbor Water Power Corporation and the Consolidated Gas Electric Light and Power Company of Baltimore. Now that the Commission [26790] has reduced these wholesale charges and given the major portion of this reduction to Consolidated Gas Electric Light and Power Company of Baltimore, through whom it will come to the consuming public of Baltimore, we are advised that the Pennsylvania Water and Power Company has sought or is seeking to repudiate its basic agreements with the Consolidated Gas Electric Light and Power Company in an effort to avoid your regulation. In pursuance thereof, it now seeks your approval of rate schedules which will enable it to sell ever-increasing amounts of the power in Pennsylvania. We feel that this would be at the expense of the Baltimore public which, throughout the last eighteen years, has paid at the higher unregulated rates and is now entitled to the service which it has always received at the reduced rates which the Commission has ordered.

In conclusion, we would like to urge upon the Commission to pass an order which would

1. Preserve the basic contractual arrangements;
2. Depart from existing schedules and contracts only to the extent necessary to put into effect the just, reasonable and non-discriminatory charges which it is the Commission's legal duty to enforce; and
3. Preserve to the Baltimore consuming public through Consolidated Gas Electric Light and Power Company of Baltimore that portion of the rate reduction ordered to Consolidated on the 1946 basis.

We would like to thank the Commission for keeping us informed of the steps in the proceeding. We wish to continue our appearance so that we may at any time take whatever further steps may be necessary to fully protect our rights and those of the consuming public of Baltimore.

Very truly yours,

THOMAS N. BIDDISON

City Solicitor

EDWIN HARLAN

Deputy City Solicitor

EH-L

Letter to Federal Power Commission from Maryland Public Service Commission, dated June 14, 1949, in respect to proposed Electric Tariff.

[26791]

Commissioners

John H. Hessey

Chairman

Frank Harper

Olin R. Higgins

Charles D. Harris

General Counsel

Philip H. Dorsey, Jr.

People's Counsel

Albert L. Deen

Executive Secretary

STATE OF MARYLAND
PUBLIC SERVICE COMMISSION
MUNSEY BUILDING
BALTIMORE-2

June 14, 1949

Received

June 15 8:20 A. M. '49

Federal Power Commission

FEDERAL POWER COMMISSION

DOCKETED

Jun 15, 1949

N.W.

DOCKET SECTION

SECRETARY'S OFFICE

Mr. Leon M. Fuquay

Secretary, Federal Power Commission

Washington 25, D. C.

Re: In the Matter of
Pennsylvania Water & Power Company
Docket No. IT-5915

Dear Mr. Fuquay:

The Public Service Commission of Maryland, (hereinafter referred to as the Maryland Commission), recently received from the Federal Power Commission a letter dated June 2, 1949, with a copy of Pennsylvania Water and

Power Company's "FPC Electric Tariff, Original Volume No. 1", that letter stating that your Commission "will appreciate receiving by June 14, 1949 any comments or suggestions" which we might desire to make concerning this proposed tariff.

It is obvious that the schedules issued for filing by Pennsylvania Water and Power Company (hereinafter referred to as Penn Water) do not comply with the Federal Power Commission Order of January 5, 1949, as modified by its Order of January 31, 1949. Paragraphs C and D of the Order of January 5 directed Penn Water *alone* to file schedules. There was no provision for a conditional filing. Ignoring the direction of these Orders, Penn Water has filed three schedules (namely, A, B, and D) on behalf of itself and Safe Harbor Water Power Corporation (hereinafter referred to as Safe Harbor), and a fourth schedule (E) on behalf of Consolidated Gas Electric Light and Power Company of Baltimore (hereinafter referred to as Baltimore Company). All four of these schedules are stated to require the concurrence of such other company before they become effective.

Moreover, the schedules as filed contravene in many respects the findings made by your Commission in issuing its Orders, as well as Opinions Nos. 173 and 173A which [26792] were "incorporated by reference and made a part" of the orders. The Maryland Commission is particularly interested to see that the following discussed deviations from your Commission's directions be corrected.

In Finding No. 15 of the Order of January 5, 1949, it was stated that:

"(15) Penn Water alone sells firm power and energy to Metropolitan Company under a 1945 agreement, to supply a part of the latter's requirements in York, Pennsylvania; to Philadelphia Company under a 1933 agreement, to supply its requirements in Coatesville, Pennsylvania; and to PP&L, under a 1933 agreement, to supply its requirements in Lancaster, Penn-

sylvania. In addition, Penn Water alone sells energy to each of these companies in interchange."

This finding was the only possible conclusion to be drawn from the evidence before your Commission, as was argued in the Maryland Commission's Brief (pp. 12-14), Baltimore Company's Brief (pp. 6-28), and the Staff's Brief (pp. 40-51). Nevertheless, Penn Water has purported to file joint schedules (A & B) on behalf of itself and Safe Harbor for service to Pennsylvania Power and Light Company and Philadelphia Electric Company. This is a repetition of the untenable position taken by Penn Water before the Commission and repeated in Penn Water's petition for rehearing, but which the Commission rejected in the above mentioned Orders. Because Penn Water has refused to comply with the Commission's direction, the Commission should establish proper schedules on its own initiative in this respect.

In its Opinions No. 173 (p. 167) and No. 173-A (pp. 9-12), the Federal Power Commission found that the basic contract (Items H and I) between Penn Water and Baltimore Company is in the public interest, and ordered that the arrangement under it should be continued with only such modifications as are necessary to accomplish the reductions in rates ordered by your Commission. Schedule E, as filed by Penn Water on behalf of Baltimore Company (presumably without authorization from Baltimore Company), is clearly contrary to the basic contract above referred to and to your Commission's Orders. It constitutes part of Penn Water's attempt to break up the basic arrangements which was restrained by the United States District Court for the District of Maryland (referred to in Opinion No. 173A, p. 14) pending final determination by that Court that of Penn Water's suit to declare the basic contract void. For Penn Water to refuse [26793] to take backfeed from Baltimore Company in interstate commerce, or to take it at the fixed rate specified in Schedule E would

be contrary (a) to the system operations under the basic contract; (b) to the above mentioned temporary restraining order; and (c) to your Commission's Orders. There can be no doubt that Schedule E should be rejected.

The proposed schedules for service to Penn Water's Pennsylvania customers (Schedules A, B, and C) also deviate from the intent of the Federal Power Commission to preserve the existing basic arrangements, in that said schedules eliminate the fuel rate adjustments previously applicable to the Philadelphia Electric and Metropolitan Edison Company contracts, and also in that they fail to include some similar adjustment to keep the PF&L reduction at the level specified by your Commission. Baltimore Company, in approving such Pennsylvania customer contracts, as is its right under the basic agreement with Penn Water (Item H), has insisted upon the need for such fuel rate adjustments because all energy sold to such Pennsylvania customers by Penn Water must be replaced by an equivalent amount of steam generated energy in Baltimore. The Maryland Commission, through its then Chief Engineer, Mr. Paul L. Holland, offered evidence that the price of such energy to such customers must be sufficient to compensate for the added cost of the steam generated energy (T. 20,400-43 and 20,449-56) as summarized in our Brief (pp. 9-10, particularly points 6 and 7).

Penn Water has eliminated all fuel rate adjustments as part of its plan to break up the integrated operations, and to transfer as much of its business to Pennsylvania as possible. The Maryland Commission intervened in the proceedings before your Commission (and has intervened in the proceedings before the U. S. District Court for the Middle District of Pennsylvania, the U. S. District Court for the District of Maryland, and the appeal pending before the U. S. Court of Appeals for the Third Circuit with reference to the Commission's Order in the Safe Harbor Case, Docket No. IT-5914) to protect the Maryland public

against this effort of Penn Water to further its own interests at the expense of the Maryland public. We look to your Commission to protect properly the interest of the Maryland public in the schedules which may issue.

Schedule D, as filed by Penn Water, necessarily results in higher payments by Baltimore Company than were contemplated by your Commission's Orders to the extent to which Schedules A, [26794] B, and C have been calculated to give the Pennsylvania customers of Penn Water an ever expanding benefit from the reductions ordered by your Commission on a 1946 basis. This situation can be cured only by a proper fuel rate adjustment being retained in the Coatesville and York area contracts, and some similar adjustment being made with reference to the charges in the Lancaster area contract. Schedule D also deviates from the Commission's Order in that it seems to give Baltimore Company no credit for the adjustment of revenue made in the Commission's allocation for special facilities from Pennsylvania Railroad in the amount of \$141,777 (Opinion No. 173, p. 142) and it also seems to eliminate the fuel rate adjustment clause contained in the existing Railroad contract. There may be other departures which Schedule D makes from the contracts and from your Commission's Orders. (Sub-par. (4) (a) and (b) seems to contemplate a hypothetical tax computation contrary to the contract and your Commission's Orders). Your Commission, in addition to establishing proper schedules for the Pennsylvania customers of Penn Water, should establish a schedule for service to Baltimore Company which completely preserves the existing contractual arrangement (Items H and I) as emphasized in its Opinions.

For all of the above reasons, the Maryland Commission calls upon the Federal Power Commission, under Paragraph E of its Order of January 5, 1949, to reject the schedules filed by Penn Water as not being in compliance with the orders under which they were filed and "in lieu

thereof to prescribe by further order the appropriate rates, charges, classifications, rules, regulations, practices, or contracts" as will carry out the Orders of January 5, 1949 and January 31, 1949, as exemplified by the findings and opinions which were made part thereof.

Until the Federal Power Commission has issued such schedules, the Maryland Commission will reserve any detailed comments as to what they should be. We do urge that your Commission reconsider carefully the sections of the Maryland Commission's Brief contained between pages 4 to 18 and Baltimore Company's Brief, pages 6-49, particularly pp. 44-49. Your Commission did not see fit to allocate the entire reduction to Baltimore Company as was there argued, and to that extent in our judgment impaired the integrated operations of the combined system in the public interest. However, we believe that it was your intent to issue an Order which would preserve the general basic agreements between Penn Water, Safe Harbor, and Baltimore Company, and as between the several customers of Penn Water, apportion the reduction in the relative amounts indicated. In order to preserve integrated operations and to secure maximum utilization of the combined [26795] resources as contemplated by the basic system contracts (Items E, F, G, H, and I), it is essential that the ratio of the several reductions ordered to each of Penn Water's customers on a 1946 basis be preserved as fully as possible by the new schedules to these customers. The schedules filed by Penn Water frustrate this purpose, expand greatly the reduction afforded its Pennsylvania customers (by eliminating fuel rate adjustments), and carry out Penn Water's recently avowed effort (in the United States District Court proceeding in Baltimore before Judge William C. Coleman) to terminate the basic arrangements with Baltimore Company and Safe Harbor.

The schedules as filed should be rejected, and your Commission should prescribe schedules which will accom-

plish the original purposes of your Order, with which the Maryland Commission fully agrees.

Respectfully submitted,

CHARLES D. HARRIS,
Charles D. Harris,
General Counsel.

GDH:F

**Letter to Federal Power Commission from Consolidated Gas
Electric Light and Power Company of Baltimore, dated
June 14, 1949, with memorandum in respect to proposed
Electric Tariff.**

[26796]

WM. SCHMIDT, JR.
Chairman of the Board and President.

CHARLES P. CRANE
Executive Vice-President

**CONSOLIDATED GAS ELECTRIC LIGHT AND
POWER COMPANY OF BALTIMORE**

Baltimore—3, Md.

June
Fourteenth
1949

**FEDERAL POWER COMMISSION
DOCKETED**

Jun. 15, 1949

NW

**DOCKET SECTION
SECRETARY'S OFFICE**

Received

June 15 2 13 PM '49

Federal Power Commission

Federal Power Commission,
Washington—25, D. C.

Re: Docket No. IT-5915

Gentlemen:

This will acknowledge receipt of your letter of June 2, 1949 enclosing a copy of proposed Electric Tariff of Pennsylvania Water & Power Company, issued May 27, 1949, and a copy of the Commission's Order dated January 5, 1949.

In response to your request for our comments and suggestions, we respectfully submit that, in our opinion, the proposed Tariff should be rejected and proper schedules established by the Commission pursuant to Paragraph E of its above Order.

A memorandum covering in detail the requested comments and suggestions is enclosed herewith.

Very truly yours,

WM. SCHMIDT, JR.
President.

[26797]

COMMENTS AND SUGGESTIONS OF CONSOLIDATED GAS-ELECTRIC
LIGHT AND POWER COMPANY OF BALTIMORE WITH RE-
SPECT TO PROPOSED FEDERAL POWER COMMISSION ELEC-
TRIC TARIFF OF PENNSYLVANIA WATER AND POWER COM-
PANY ISSUED MAY 27, 1949

The proposed Tariff is improper because--

1. It contravenes the Commission's Orders and accompanying Opinions Nos. 173 and 173A;
2. It contravenes the provisions of the contract of June 1, 1931, as amended, between Penn Water and the Baltimore Company;
3. It purports to constitute a filing on behalf of Safe Harbor and of Baltimore Company without the authority, approval, or concurrence of either of those companies;
4. It is discriminatory against Baltimore Company in that it imposes on Baltimore Company all of the risks of changing costs of operation and none of such risks are shared by the other customers of Penn Water;
5. It is designed to implement the contentions of Penn Water in its pending litigation to strike down its contracts with the Baltimore Company contrary to the Commission's stated intention to preserve the basic arrangement under said contracts;
6. It will have the effect of disrupting the over-all economical operation of the integrated system established by those contracts and, therefore,
7. It is opposed to the public welfare.

We believe that the public welfare will best be served under present conditions if the new Tariff be required by the Commission to conform to the following (This sugges-

tion is made without prejudice to the Baltimore Company's contractual rights or to any future redetermination of rates by the Commission because of intervening economic factors.):

1. The new Tariff should be restricted to rates of Penn Water only.
2. The new Tariff should continue in effect the present contracts, subject only to the reduction of Penn Water's rates and charges thereunder and to the ultimate determination [26798] by the Courts of the rights and obligations of the respective companies.
3. The new Tariff should establish rates which are just, reasonable, and non-discriminatory for *all* customers.

The following comments are in elaboration of the foregoing:

1. The new Tariff should be restricted to rates of Penn Water only.

Schedules A, B, and D

Schedules A, B, and D have been filed by Penn Water purportedly on behalf of itself and Safe Harbor and conditioned upon the concurrence of Safe Harbor. This was done without the authority, consent, or concurrence of Safe Harbor. Baltimore Company, as 2/3 equity owner of Safe Harbor, protests such filing.

Schedules A and B are in direct disregard of the Commission's Opinion No. 173 (pp. 11, 19, 20 and 21) and finding No. 15 of the Order of January 5, 1949. The Commission found that Safe Harbor's contractual status is a nominal one only, that it cannot sell to others what it has already sold in its entirety to Penn Water and Baltimore Company, and that Penn Water *alone* sells power and energy to M. E., P. E., and P. P. & L.

The references and provisions as to "joint services" in the Tariff as filed by Penn Water are also in direct disregard of the Commission's Opinion No. 143 and Order of November 4, 1946 in Docket No. IT-5914, in the matter of Safe Harbor Water Power Corporation, which Order is now on appeal before the United States Court of Appeals for the Third Circuit. Subparagraph (a) of the paragraph "Contracts" in Opinion No. 143 and Paragraph D of the Order hold that Safe Harbor "makes no sales" to the above mentioned companies and that Safe Harbor has only two customers, viz., Penn Water and Baltimore Company. They are also inconsistent with the Tariff filed by Safe Harbor pursuant to the above Order.

The references and provisions as to "joint services" are also contrary to the terms and provisions of the contract of June 1, 1931 between Baltimore Company, Safe Harbor, and Penn Water under which Safe Harbor sells all of its capacity and energy one-third to Penn Water and two-thirds to Baltimore Company.

Paragraphs C and D of the Order of January 5, 1949 ordered Penn Water *alone* to file schedules for service to its Pennsylvania customers and to Baltimore Company. Schedules A, B, and D violate this Order as well as the above referred to findings and opinions and they should be rejected.

[26799]

Schedule E

Schedule E has been filed purportedly on behalf of Baltimore Company without any advance notice to Baltimore Company. Baltimore Company protests the issuance of such schedule as being in violation of its 50-year contract with Penn Water and of the

Opinions and Orders of the Commission as discussed below.

2. The new Tariff should continue in effect the present contracts between Baltimore Company and Penn Water.

Opinion No. 173, in its entirety, shows that the Commission's Orders contemplate a continuance of the arrangement for system operations established by the 50-year basic contract entered into in 1931 between Penn Water and Baltimore Company and the companion agreement with Safe Harbor Water Power Corporation. At p. 167, the Commission said:

"It is not feasible, because of the nature of Penn Water's operations, for the latter to assume firm commitments to all its customers, including Baltimore Company. The present arrangement whereby sales to Pennsylvania customers are made on a firm basis on definite rate schedules whereas Baltimore Company takes what is left and assures Respondents of the recovery of all proper operating expenses, depreciation, taxes and a fair return, is the most practicable under the circumstances. That arrangement will, therefore, be continued with, however, such modifications as are necessary to accomplish the reductions mentioned above to Pennsylvania Power & Light, Philadelphia Company, Metropolitan Company and Baltimore Company."

This was repeated with approval in Opinion No. 173A (p. 9) in response to Penn Water's assertion in its Petition for Rehearing that it was prepared to show that it had served notice of termination of said long-term contracts and had brought suit to establish their invalidity. Opinion No. 173A (pp. 5, 6, 8, and 9) further stated:

"The contracts which Penn Water by the *ex parte* action thus alleged has sought to terminate are the fifty-year foundation contracts referred to in our former opinion. Under those contracts the steam and hydroelectric generating capacity and transmission facilities of Baltimore Company, Penn Water, Susquehanna, and Safe [26800] Harbor, were designed and constructed, and for up to 17 years and more operated, so as to achieve close integration and coordination among all of the companies. We pointed out in our opinion that such pooling of Baltimore Company's steam capacity with the hydro capacity of the other companies resulted in a much more economical supply of the combined power requirements of all the companies, including supply to Pepco in the Washington area."

"The regional integration and coordination of facilities, the resulting economies, and the utilization and conservation of natural resources thus achieved are precisely what was sought to be encouraged and fostered by the Federal Power Act and established as a part of the criterion of the public interest to be served by regulation thereunder (Cf. Section 202 (a))."

"Now, by the changes referred to in Penn Water's application for rehearing, all of the carefully built-up benefits of pool design, investment, construction and operation apparently are intended to be sacrificed by Penn Water. Penn Water's non-receipt of steam generated energy from outside Pennsylvania for sale to resale customers would destroy the pool economies under the established method of operation."

There can be no doubt that the evidence before the Commission, including that submitted by officers of Penn Water (Baltimore Company's Brief, pp. 45-48) supports the above quoted conclusions of the Commission. The schedules filed by Penn Water, if received and made effective, would severely impair and perhaps destroy the integrated coordinated economical utilization of the combined resources which the Commission has found to be in the public interest. Penn Water has previously signified its disregard for this in its attempt to break its contracts with Safe Harbor and Baltimore Company and in its suit in the United States District Court for the District of Maryland referred to in Opinion No. 173A (p. 5). The schedules as filed are consistent parts of Penn Water's contentions rather than compliance with the Commission's Orders and Opinions 173 and 173A. This is particularly shown by Schedule E, but also manifests itself in all of the schedules.

Schedule E

This schedule was filed purportedly on behalf of Baltimore Company but without any advance notice to or consent of Baltimore Company. It is contrary to the 50-year contracts and is in contravention [26801] of the above quoted portions of the Commission's Opinions. The "option" which Schedule E would give Penn Water to receive or not to receive "backfeed" is directly contrary to the free flow of energy according to the requirements of over-all system economy, as is called for by the contracts and the Commission's Order. Also, the placing of a charge on "backfeed" is contrary to the 1931 agreement and would have no meaning because such a payment by Penn Water to Baltimore Company would merely "wash out" as an operating expense in the

power bill between Penn Water and Baltimore Company (T. 20, 191-93, Baltimore Company's Reply Brief, pp. 9-10).

Schedule E was not called for by the Commission's Orders, is directly contrary to them, and should be rejected.

Schedules A, B, and C

The very filing of Schedule E confirms the conclusion that all of the schedules have been filed by Penn Water in an attempt to avoid the Commission's intention to preserve the basic arrangements under the 50-year contracts. Schedules A, B, and C constitute part of this attempt in that they have been designed to give to the Pennsylvania customers larger reductions than were ordered, thereby causing a smaller reduction to Baltimore Company. Primarily by eliminating all fuel rate adjustments, Penn Water would increase the rate reductions to the Pennsylvania customers from \$220,943 on a 1946 basis to \$644,140 on a 1948 basis, with the reduction to Baltimore Company correspondingly curtailed. Through the handling of the Pennsylvania Railroad revenues in Schedule D, discussed hereinafter, Penn Water has also increased its own revenues by approximately \$200,000 at the expense of Baltimore Company. Baltimore Company alone would have to bear *all* of the increased costs of service because the schedules to the other customers omit fuel rate adjustments. Baltimore Company has urged such adjustments under its right to approve the contracts with the Pennsylvania customers since it is the only party burdened by the charges to the Pennsylvania customers.

< The proposed schedules would destroy the incentive for coordinated economical utilization of the combined resources and would foster the disintegra-

tion of the system now sought by Penn Water. This was not intended by the Orders and Opinions 173 and 173A and the intent of the Commission should be accomplished by the issuance of schedules which properly apportion cost variations between the several customers of Penn Water rather than burden Baltimore Company with them in their entirety. This can be done most simply by changing as little as possible the existing contracts to the Pennsylvania customers, continuing the existing fuel rate adjustments and adding such an adjustment to the P. P. & L. schedule to avoid a discrimination that otherwise exists in favor of that customer. (Exhibit A, enclosed herewith, has illustrative schedules following this approach but bringing the fuel [26802] rate adjustments to a 1946 base.) A similar result would be obtained by establishing demand and energy rates for each customer on a 1946 basis as in the schedules issued by Penn Water but including in the schedules fuel rate adjustments which move from a 1946 base. (Exhibit B filed herewith shows illustrative schedules of this type.) The existing fuel rate adjustment clauses could be continued as to type but adjusted to a 1946 base—or a uniform clause could be placed on each schedule. Under any of these several suggestions, the purpose of the Commission to preserve the existing integrated and coordinated operations of the combined system would be accomplished under just, reasonable, and non-discriminatory rates. (See discussion below under (3).)

Schedule D

This schedule ignores the contracts as well as the Commission's Orders and Opinions. It contains two unnecessary subparagraphs (4 (a) and (b)) which suggest a hypothetical tax computation

whereby Baltimore Company could become responsible for taxes not actually paid by Penn Water. This is contrary to the contracts and the Commission's Order. It is not called for by Finding No. 37 of the Order of January 5, 1949. Subparagraphs 4 (a) and (b) (on original sheets 13 and 14 of the Tariff as issued) should not have been included, and the parenthetical exception of "other than Federal and State taxes in respect to income" should not have been stated in subparagraph (2) (original sheet, p. 15).

The computation as to Pennsylvania Railroad revenues in subparagraph (3) on original sheet No. 14 also deviates from the Commission's Order and the long-term contracts. As in the case of the Pennsylvania customer contracts, the fuel rate adjustment has been omitted. Also, Baltimore Company does not receive proper credit for the adjustment made by the Commission in relation to special facilities (Opinion 173, p. 142) in the amount of \$141,777. The attached Exhibits A and B show suggested treatments of the computation of the power bill to Baltimore Company which are in accord with Finding No. 37 and the Orders and Opinions 173 and 173A of the Commission in their entirety.

Schedule D, as issued, should be rejected and a proper schedule issued by the Commission.

3. The new Tariff should establish rates which are just, reasonable, and non-discriminatory.

It is the Commission's statutory duty to see that the rates and charges of licensees and of public utilities subject to its jurisdiction [26803] are just, reasonable, and non-discriminatory (Federal Power Act, Section 20 and Sections 205, 206; 16 USCA, Secs. 813, 824d, 824e). The Orders and Opinions

here in question were intended to carry out this duty.

The schedules filed by Penn Water so change the ratio of the allocation of the reduction between the several customers as made on a 1946 basis that they necessarily result in a discrimination against Baltimore Company and possibly as between the several Pennsylvania customers of Penn Water. The evidence before the Commission showed fuel-rate adjustments related to the service to the Pennsylvania Railroad, Philadelphia Electric Company, and Metropolitan Edison Company. There was no evidence or argument that any one of these adjustments resulted in unjust, unreasonable, or discriminatory rates to any of the customers involved. Nevertheless, without any direction from the Commission, Penn Water has eliminated these adjustments from the proposed schedules. It is submitted that either the existing fuel rate adjustments or appropriate modifications of them should be included in any schedules which are permitted finally to become effective.

As to the service to Pennsylvania Power & Light Company, Mr. Thomas testified on behalf of Baltimore Company that a defect of the existing contract is the absence of any automatic fuel rate adjustment provisions (T. 1275;76). The original 1912 agreement with that Company (Exhibit 136, Article IX) provided:

"This contract shall automatically renew itself for a further period of ten (10) years duration, at the option of the Receiving Company, provided a readjustment of rate for power to be determined by arbitration is made if insisted upon by either party, such readjustment based upon any increase in the cost of steam generated

power which might then exist as compared with the cost of steam generated power as of date of this contract."

The present agreement (Exhibit 76, Article I) provides for the continuance of "said agreement of October 9, 1912, as herein modified or extended." Under these provisions, Baltimore Company at the expiration of any current terms of the P. P. & L. contract, in exercising its power of approval of any extension or new agreement, would ask that a fuel adjustment clause be added so that P. P. & L. Co., like all other customers, should carry its fair share of increasing costs. The Commission, in following the Davis study (Exhibit No. 421) in making its allocation of the rate reduction between the several customers, applied to each customer an energy charge for the steam energy received by that customer which purported to compensate fully for the costs of steam generation in Baltimore. The proper projection of that allocation as the basis for future rates would require that each Pennsylvania [26804] customer of Penn Water have a proper automatic fuel adjustment clause as part of its service schedule. Only in this manner can discrimination be avoided, and, as indicated in part (2) above, only in this manner can the integrated coordinated economical utilization of the system resources be preserved in the manner contemplated by the Commission's Orders.

As argued by the Maryland Commission and Baltimore Company, this integrated coordinated economical utilization of the system resources results from Baltimore Company's unusual position as system guarantor and residual beneficiary of system operations. This is impaired by any action (regulatory or otherwise) which reduces Baltimore Com-

pany's ability to supervise and control the sales of power from the system to the Pennsylvania customers of Penn Water. It could be eventually destroyed by regulation which gave such customers rates which were freed of relation to the changing costs of steam generation.

Accordingly, in order to foster the integrated, unified, and economical operation which the Commission's Orders call for, it is essential that the reductions to the Pennsylvania customers of Penn Water be accomplished by schedules which contain proper fuel rate adjustments. (The attached Exhibits A and B contain illustrative schedules consistent with the Commission's Orders and Opinions which accomplish this result.)

[26805]

EXHIBIT A**Schedule A****RATE SCHEDULE A, Pennsylvania Power & Light Company**

Pursuant to the Commission's Order issued January 5, 1949, the rate provisions of Article VI of the contract between Pennsylvania Water & Power Company, Safe Harbor Water Power Corporation and Pennsylvania Power & Light Company dated May 1, 1933, as supplemented and amended by Section (13) of the Letter-Agreement dated April 28, 1939 entitled "Credit for Greater Utilization of Generating Companies' Present Facilities" are hereby revised to read as shown below under the caption "Rates". All other provisions of said agreement as supplemented and amended, including amendment by the Letter-Agreement dated Feb. 19, 1946, remain unchanged.

RATES

The rates to be paid by Pennsylvania Power & Light Company to Pennsylvania Water & Power Company, for power and energy shall be as follows:

- 6.10 mills per kilowatthour for the first 13.5 million kilowatthours of Lancaster Load Requirement supplied hereunder in each month.
- 6.0 mills per kilowatthour for all Lancaster Load Requirement supplied hereunder in excess of 13.5 million kilowatthours in each month.
- 3.5 mills per kilowatthour of Excess Energy supplied hereunder.

The above rates shall be subject to a fuel rate adjustment * determined in the following manner:

The monthly fuel rate adjustment will apply to the total Lancaster Load Requirement and Excess Energy supplied under this Contract; will be based on the proportion of steam-electric generation to the total generation of a combined system (which for this purpose includes the power systems of Pennsylvania Water & Power Company, Safe Harbor Water Power Corporation and Consolidated Gas Electric [26806] Light and Power Company of Baltimore) after adjustment for power interchange transactions by Pennsylvania Water & Power Company; will vary with the average pounds of coal used per kwh. (station send-out) in all of the steam-electric generating plants of the Consolidated Gas Electric Light and Power Company of Baltimore; and will vary with the increase or decrease in the average cost of coal as reported monthly by Consolidated Gas Electric Light and Power Company of Baltimore to the Public Service Commission of Maryland from a base price of \$6.41 per net ton (1946 weighted average). The details of such monthly fuel rate adjustment computations are shown on the table below and will apply so long as the average price of coal per net ton during any month as reported by Consolidated Gas Electric Light and Power Company of Baltimore to the Public Service Commission of Maryland exceeds \$6.66 or is less than \$6.16 per net ton.

* This is the Coatesville fuel rate adjustment formula adjusted to 1946 cost base.

FUEL RATE ADJUSTMENT UNDER LANCASTER POWER SUPPLY CONTRACT

Net Steam Generation *

A. Ratio = $\frac{\text{Net Steam Generation}^*}{\text{Net Total Generation}^{**}}$ %

B. Total Lancaster Load Requirement and Excess Energy supplied kwh.

C. Average Pounds Coal per kwh. (Baltimore Steam Plants) #/kwh.

D. Cost of Coal per Net Ton (in bunkers of Baltimore steam plants) \$

E. Variation in Dollars per Net Ton from \$6.41 base price \$

$$\text{Fuel Rate Adjustment} = A \times B \times C \times \frac{E}{2000} = \$$$

* Total Baltimore and Holtwood net steam generation less steam interchange sales to Pennsylvania ties plus steam interchange purchased from Pennsylvania ties.

** Total steam and hydro net generation less all interchange sales to Pennsylvania ties; plus all interchange purchased from Pennsylvania ties.

[26807]

EXHIBIT A

Schedule B

RATE SCHEDULE B, Philadelphia Electric Company

Pursuant to the Commission's Order issued January 5, 1949; the rate provisions of the contract between Pennsylvania Water & Power Company, Safe Harbor Water Power Corporation and Philadelphia Electric Company, dated August 1, 1933, as supplemented and amended by agreement dated December 13, 1938, and by letters between the parties dated February 8, 1944 and February 9, 1944, are hereby revised to read as set forth below under the caption "Rates". All other provisions of said agreement as supplemented and amended shall remain unchanged.

RATES

Philadelphia Electric Company shall pay Pennsylvania Water & Power Company for electrical supply described in Article II, Section 1 of the contract as amended by Sections 2 and 3 of the Agreement of December 13, 1938, a Demand Charge, an Energy Charge, and a Transmission Charge according to the following schedules:

Demand Charge

- \$1.35 per month per kilowatt for the first 2,500 kilowatts of Billing Demand.
- \$1.05 per month per kilowatt of Billing Demand above 2,500 kilowatts.

Energy Charge

- 3.83 mills per kilowatthour for the first 150 kilowatthours per month per kilowatt of the monthly maximum demand.
- 3.33 mills per kilowatthour for the next 250 kilowatthours per month per kilowatt of the monthly maximum demand.

2.83 mills per kilowatthour for all excess kilowatt-hours.

The above energy charges shall be subject to a fuel rate adjustment as set forth in the exchange of letters between the parties dated February 8, 1944 and February 9, 1944, except that the base coal price shall be \$6.44 per net [26808] ton instead of \$4.25 and shall apply only so long as the average price of coal per net ton during any month as reported by Consolidated Gas Electric Light and Power Company of Baltimore to the Public Service Commission of Maryland exceeds \$6.69, or is less than \$6.19 per net ton.

Transmission Charge

\$5000.00 per month.

Note: If it is desired to retain the present base price of \$4.25 per net ton in the fuel rate adjustment formula, the above energy rates must be further reduced by 0.67 mill per kwh.

[26809]

EXHIBIT A

Schedule C

RATE SCHEDULE C, Metropolitan Edison Company

Pursuant to the Commission's Order issued January 5, 1949, the rate provisions of Article V, Section 5 of the contract dated November 15, 1945 between Pennsylvania Water & Power Company and Metropolitan Edison Company are hereby revised to read as set forth below under the caption "Rates". All other provisions of said contract, including the provisions of Sections 1, 2, 3, 4, 6 and 7 of Article V, shall remain unchanged.

RATES

Article V, Section 5, is revised to read as follows:

The monthly energy charges specified in Sections 3 and 4 hereof shall be subject to monthly adjustment based upon changes in cost of fuel to Metropolitan. The charges per kilowatthour in any month shall be increased or decreased one (1) per cent for each ten (10) cent increase above or decrease below \$5.90 per net or short ton in the average cost of bituminous coal and freight only, on hand and delivered at Metropolitan's steam generating stations during the second preceding calendar month.

Note: If it is desired to retain the present base price of \$5.00 per net ton in the fuel rate adjustment it would be necessary to reduce each of the energy rates in Article V, Section 3 by 0.29 miles per kwh.

[26810]

EXHIBIT A

Schedule D

RATE SCHEDULE D, Consolidated Gas Electric Light &
Power Company of Baltimore

Pursuant to the Commission's Order issued January 5, 1949, all rate provisions of the contract between Pennsylvania Water & Power Company (hereinafter referred to as Holtwood Company) and Consolidated Gas Electric Light and Power Company of Baltimore (hereinafter referred to as Baltimore Company) dated December 31, 1927, as supplemented and amended by agreements dated December 27, 1928, June 1, 1931 and September 29, 1939, are hereby amended as set forth below under the caption "Rates". All other provisions of said contract as supplemented and amended shall remain unchanged.

RATES

The gross annual charge by Holtwood Company to Baltimore Company under this contract, without regard to the amount of energy, capacity or other services or facilities actually furnished, shall be computed in accordance with the following formula:

(A) Add the following amounts:

- (1) $5\frac{1}{4}\%$ of the rate base computed in accordance with paragraph (35) of the findings contained in the Order of the Federal Power Commission issued January 5, 1949 in its Docket No. IT-5915.
- (2) All reasonable and necessary operating expenses of Holtwood Company (including taxes and payments by Holtwood Company

for power and energy purchased from Safe Harbor Water Power Corporation and others) and depreciation expenses calculated as referred to in paragraphs (27) and (28) of such findings in such Order.

(B) Deduct the sum of the following amounts from the sum of the amounts in paragraph (A) above:

- (1) The Conowingo backwater payment.
- (2) All electric revenues received from others, including Metropolitan Edison Company, Philadelphia Electric Company, Pennsylvania Power & Light Company, but excluding revenue received from the Pennsylvania Railroad Company.
- (3) To the extent Holtwood Company receives any revenue from [26811] the Pennsylvania Railroad, the amount computed by deducting the amount of \$141,777 (revenue received by Holtwood Company for special facilities for services to Pennsylvania Railroad in Maryland) from the product obtained by multiplying
 - (a) the total kilowatthours of energy sold by Holtwood Company to Pennsylvania Railroad (determined in accordance with the Operating Committee Agreement of March 3, 1937, Exhibit #470 IT-5915)

by
 - (b) a rate in mills per kilowatthour obtained by subtracting 1.042 mills per kilowatthour from the rate obtained by dividing
 - (1) the total amount of revenues received by Baltimore Company under the contract with Pennsylvania Railroad

dated September 2, 1931 as amended by supplemental agreements dated August 15, 1934 and June 22, 1938 on behalf of the supplying companies

by

(2) the total kilowatthours delivered to the Pennsylvania Railroad under said contract.

(4) The income taxes associated with revenues received by Holtwood Company from Pennsylvania Railroad in excess of the deduction ~~computed under item (3) above.~~

The net payment to be made by Baltimore Company to Holtwood Company shall be determined by crediting the following amounts against the gross annual charge by Holtwood Company to Baltimore Company computed as set forth above:

1. The net revenue received by Holtwood Company from interchange power transaction. (This credit necessary only if not included in A (2) or B (2) above. See Opinion #173, p. 142.)
2. The amount of \$141,777 paid by Baltimore Company (through normal allocation of Railroad revenue) to Holtwood Company for special facilities for service to Pennsylvania Railroad in Maryland. (See Opinion #173, p. 142.)

If the sum of the credits exceeds the gross annual charge by Holtwood Company, the excess of such credits shall be paid by Holtwood Company to Baltimore Company.

The annual amount to be paid hereunder shall be estimated by the parties hereto in advance, and shall be paid as nearly as possible in equal monthly installments, with subsequent adjustment to the correct yearly payments.

[26812]

Exhibit B

Schedule A

RATE SCHEDULE A, PENNSYLVANIA POWER & LIGHT COMPANY

Pursuant to the Commission's Order issued January 5, 1949, the rate provisions of Article VI of the contract between Pennsylvania Water & Power Company, Safe Harbor Water Power Corporation and Pennsylvania Power & Light Company dated May 1, 1933, as supplemented and amended by section (5) entitled "Continuation of 4,000 Volt Service at Holtwood Power House", section (7) entitled "Manor Substation and Transmission Line" and section (13) entitled "Credit for Greater Utilization of Generating Companies' Present Facilities" of the Letter Agreement dated April 28, 1939, are hereby revised to read as shown below under the caption "Rates." All other provisions of said agreement as supplemented and amended, including amendment by the Letter Agreement dated February 19, 1946, remain unchanged.

Rates

The rates to be paid by Pennsylvania Power & Light Company to Pennsylvania Water & Power Company for power, energy and special facilities shall be as follows:

Demand Charge:

\$1.38 per month per kilowatt of Billing Demand.

Energy Charge:

2.5 mills per kilowatthour for the Lancaster Load Requirements and Excess Energy supplied, except 4,000 volt service at Holtwood.

6.0 mills per kilowatthour for 4,000 volt service at Holtwood.

Reactive Charge:

0.2 mills per lagging reactive kilovolt-ampere-hour for all such kilovolt-ampere-hours supplied per month numerically in excess of 50% of the kilowatthours of energy supplied under this rate schedule in that month.

[26813]

Special Facilities Charge:

\$965 per month.

Billing Demand:

The billing demand in any month shall be the maximum power requirement of the services specified in the existing contract (excluding Excess Energy under Article IV of the contract dated May 1, 1933), measured on a clock one-hour integrated basis in units of 1,000 kilowatts (1,000 kwh. per hour) during that month or the preceding eleven months. The 4,000 Volt service at Holtwood is excluded in the determination of the Billing Demand.

Fuel Rate Adjustment:

The energy charge specified above shall be subject to fuel rate adjustment as follows:

The monthly fuel rate adjustment will apply to the total Lancaster Load Requirement, Excess Energy and 4,000 Volt Service supplied under this contract; will be based on the proportion of steam-electric generation to the total generation of a combined system (which for this purpose includes the power systems of Pennsylvania Water & Power Company, Safe Harbor Water Power

* This is the Coatesville fuel rate adjustment formula adjusted to 1946 cost base.

Corporation and Consolidated Gas Electric Light and Power Company of Baltimore) after adjustment for power interchange transactions by Pennsylvania Water & Power Company; will vary with the average pounds of coal used per kwh. (station sendout) in all of the steam-electric generating plants [26814] of the Consolidated Gas Electric Light and Power Company of Baltimore; and will vary with the increase or decrease in the average cost of coal as reported monthly by Consolidated Gas Electric Light and Power Company of Baltimore to the Public Service Commission of Maryland from a base price of \$6.41 per net ton (1946 weighted average). The details of such monthly fuel rate adjustment computations are shown on an attached sheet and will apply so long as the average price of coal per net ton during any month as reported by Consolidated Gas Electric Light and Power Company of Baltimore to the Public Service Commission of Maryland exceeds \$6.66 or is less than \$6.16 per net ton.

[26815]

FUEL RATE ADJUSTMENT UNDER LANCASTER POWER SUPPLY.
CONTRACT

Net Steam Generation*

A—Ratio = $\frac{\text{Net Steam Generation}^*}{\text{Net Total Generation}^{**}}$

Net Total Generation**

%

B—Total Lancaster Load Requirements and
Excess Energy and 4000 volt service
supplied

kwh.

C—Average Pounds Coal per kwh. (Baltimore
Steam Plants)

#/kwh.

D—Cost of Coal per Net Ton (in bunkers of
Baltimore steam plants)

\$

E—Variation in Dollars per Net Ton from
\$6.41 base price

\$

E

Fuel Rate Adjustment = $A \times B \times C \times \frac{E}{2000}$ = \$

2000

*Total Baltimore and Holtwood net steam generation.

Less steam interchange sales to Pennsylvania ties.

Plus steam interchange purchased from Pennsylvania ties.

**Total steam and hydro net generation

Less all interchange sales to Pennsylvania ties.

Plus all interchange purchased from Pennsylvania ties.

[26816]

Exhibit B

Schedule B

RATE SCHEDULE B, PHILADELPHIA ELECTRIC COMPANY

Pursuant to the Commission's Order issued January 5, 1949, the provisions of Sections 1, 2 and 4 of Article III of the contract between Pennsylvania Water & Power Company, Safe Harbor Water Power Corporation and Philadelphia Electric Company, dated August 1, 1933, as supplemented and amended by agreement dated December 13, 1938, and by letters between the parties dated February 8, 1944 and February 9, 1944, are hereby revised to read as set forth below under the caption "Rates." All other provisions of said agreement as supplemented and amended shall remain unchanged.

Rates

Philadelphia Electric Company shall pay Pennsylvania Water & Power Company for electrical supply described in Article II, Section 1 of the contract as amended by Sections 2 and 3 of the agreement of December 13, 1938, a Demand Charge, an Energy Charge, a Reactive Charge and a Transmission Charge according to the following schedule:

Demand Charge:

\$1.38 per month per kilowatt of Billing Demand.

Energy Charge:

2.5 mills per kilowatthour.

Reactive Charge:

0.2 mills per lagging reactive kilovolt-ampere-hour for all such kilovolt-ampere-hours supplied per month numerically in excess of 50% of the kilowatthours of energy supplied under this rate schedule in that month.

Special Facilities Charge:

\$6,559.00 per month.

Billing Demand:

The Billing Demand in any month shall be an amount equal [26817] to the maximum power requirement of the services specified in the existing service contract (excluding emergency supply under Article II, Section 2 of the contract dated August 1, 1933); measured on a clock one-hour integrated basis in units of 1,000 kilowatts (1,000 kwh. per hour) during that month or the preceding eleven months.

Fuel Rate Adjustment:

The above energy charges shall be subject to a fuel rate adjustment as provided for in Article II, Section 4 of the contract and as set forth in the exchange of letters between the parties dated February 8, 1944 and February 9, 1944, except that the base coal price shall be \$6.44 per net ton instead of \$4.25 and shall apply only so long as the average price of coal per net ton during any month as reported by Consolidated Gas Electric Light and Power Company of Baltimore to the Public Service Commission of Maryland exceeds \$6.69 or is less than \$6.19 per net ton.

[26818]

Exhibit B

Schedule C

RATE SCHEDULE C, METROPOLITAN EDISON COMPANY

Pursuant to the Commission's Order issued January 5, 1949, the rate provisions of Articles V and VI of the contract dated November 15, 1945 between Pennsylvania Water & Power Company and Metropolitan Edison Company are hereby revised as set forth under the caption "Rates." All other provisions of said contract shall remain unchanged.

Rates

The rates for service under this rate schedule are as follows:

Demand Charge:

\$1.38 per month per kilowatt of specified firm power.

\$0.40 per 1,000 kilowatts of spinning reserve capacity for each clock hour in which such capacity is provided.

Energy Charge:

- (a) 3.5 mills per kilowatt hour for energy supplied in any month in the portion of the customer's total requirements above its steam line.
- (b) 2.75 mills per kilowatt hour for energy supplied in any month, between the hours of 7 a.m. and 9 p.m. Eastern Standard Time, or Daylight Saving Time when in effect, on all days except Sundays and holidays in the customer's specified area, in excess of energy billed under Section (a) above.
- (c) 2.0 mills per kilowatt hour for all additional energy supplied in any month in excess of energy billed under Sections (a) and (b) above.

Reactive Charge:

0.2 mills per lagging reactive kilovolt-ampere-hour for all such kilovolt-ampere-hours supplied per month numerically in excess of 50% of the kilowatt hours [26819] of energy supplied under this rate schedule plus kilowatt hours use of spinning reserve capacity in that month.

Special Facilities Charge:

\$2,751.00 per month.

Fuel Rate Adjustment:

The above energy charges shall be subject to monthly adjustment based upon changes in cost of fuel to Metropolitan Edison Company. The charges per kilowatt hour in any month shall be increased or decreased one (1) per cent for each ten (10) cent increase above or decrease below \$6.00 per net or short ton in the average cost of bituminous coal and freight only, on hand and delivered at Metropolitan's steam generating stations during the second preceding calendar month.

[26820]

Exhibit B

Schedule D

RATE SCHEDULE D, CONSOLIDATED GAS ELECTRIC LIGHT AND
POWER COMPANY OF BALTIMORE

Pursuant to the Commission's Order issued January 5, 1949, all rate provisions of the contract between Pennsylvania Water & Power Company (hereinafter referred to as Holtwood Company) and Consolidated Gas Electric Light and Power Company of Baltimore (hereinafter referred to as Baltimore Company) dated December 31, 1927, as supplemented and amended by agreements dated December 27, 1928, June 1, 1931 and September 29, 1939, are hereby amended as set forth below under the caption "Rates". All other provisions of said contract as supplemented and amended shall remain unchanged.

Rates

The gross annual charge by Holtwood Company to Baltimore Company under this contract, without regard to the amount of energy, capacity or other services or facilities actually furnished, shall be computed in accordance with the following formula:

(A) Add the following amounts:

- (1) $5\frac{1}{4}\%$ of the rate base computed in accordance with paragraph (35) of the findings contained in the Order of the Federal Power Commission issued January 5, 1949 in its Docket No. IT-5915.
- (2) All reasonable and necessary operating expenses of Holtwood Company (including taxes and payments by Holtwood Company for power and energy purchased from Safe Harbor Water Power Corporation and others)

and depreciation expenses calculated as referred to in paragraphs (27) and (28) of such findings in such Order.

(B) Deduct the sum of the following amounts from the sum of the amounts in paragraph (A) above:

- (1) The Conowingo backwater payment.
- (2) All electric revenues received from others, including Metropolitan Edison Company, Philadelphia Electric Company, Pennsylvania Power & Light Company, but excluding revenue received from the Pennsylvania Railroad Company.

[26821]

(3) An amount, to the extent Pennsylvania Water & Power Company receives any revenue from the Pennsylvania Railroad, computed as the sum of:

(a) 1.657 mills per kilowatt hour ~~times~~ the portion of the annual energy supplied in Pennsylvania to the Pennsylvania Railroad, under a contract dated September 2, 1931, as amended by agreements dated August 15, 1934 and June 22, 1938, between The Pennsylvania Railroad Company, the issuing company, Safe Harbor Water Power Corporation and others.

(b) \$16.61 per kilowatt per year times the portion of the total billing demand of the Pennsylvania Railroad supply under the contract referred to in paragraph (a), which portion of the demand is to be the annual maximum among the products for each month of the year of the monthly billing demand and the ratio for that month of the energy supplied to the Penn-

sylvania Railroad in Pennsylvania to the total energy supplied to the Pennsylvania Railroad under such contract.

(c) An annual amount of \$109,289.

(d) The portion of the annual fuel rate adjustment, billed to the Pennsylvania Railroad under the contract referred to in paragraph (a), applicable to energy supplied to the Pennsylvania Railroad in Pennsylvania; said portion to be determined as the sum of the products for each month of the total monthly fuel rate adjustment and the ratio for that month of the energy supplied to the Pennsylvania Railroad in Pennsylvania to the total energy supplied to the Pennsylvania Railroad under the contract.

(4) The income taxes associated with revenues received by Holtwood Company from Pennsylvania Railroad in excess of the deduction computed under item (3) above.

{ The net payment to be made by Baltimore Company to Holtwood Company shall be determined by crediting the following amounts against the gross annual charge by Holtwood Company to Baltimore Company computed as set forth above:

1. The net revenue received by Holtwood Company from interchange power transaction. (This credit necessary only if not included in A (2) or B (2) above. See Opinion #173, p. 142).
2. The amount of \$141,777 paid by Baltimore Company (through normal allocation of Railroad revenue) to Holtwood Company for special facilities for service to Pennsylvania Railroad in Maryland. (See Opinion #173, p. 142).

If the sum of the credits exceeds the gross annual charge by Holtwood Company, the excess of such credits shall be paid by Holtwood Company to Baltimore Company.

[26822]

The annual amount to be paid hereunder shall be estimated by the parties hereto in advance, and shall be paid as nearly as possible in equal monthly installments, with subsequent adjustment to the correct yearly payments.

Letter to Federal Power Commission from Pennsylvania Water & Power Company, dated June 24, 1949, objecting to comments of Consolidated Gas Electric Light and Power Company of Baltimore.

[26823]

(Letterhead of)

PENNSYLVANIA WATER & POWER COMPANY

Lexington Building

Baltimore 3, Md.

June 24, 1949

Received

Jun 27 9 40 AM '49

Federal Power Commission

FEDERAL POWER COMMISSION

DOCKETED

Jun. 27, 1949

DOCKET SECTION

SECRETARY'S OFFICE

Re: Docket No. IT-5915

Mr. Leon M. Fuquay, Secretary

Federal Power Commission

Washington—25, D. C.

Dear Sir:

Under date of June 21, 1949, we received from Consolidated Gas Electric Light and Power Company of Baltimore a copy of its letter to you with attached memorandum relating to the proposed electric tariff of respondent company, issued May 27, 1949, in the above docket number.

We wish to advise the Commission that we find such comments of Consolidated Gas Electric Light and Power Company of Baltimore erroneous and its suggestions contrary to Order and Opinion No. 173 of the Commission dated January 5, 1949.

Yours very truly,

G. W. SPAULDING

G. W. Spaulding

Executive Vice President

GWS:F

Letter to Pennsylvania Water & Power Company from
Federal Power Commission, dated October 27, 1949,
transmitting Order entered by the Commission on Oc-
tober 25, 1949.

[26847]

Oct 27 1949

Pennsylvania Water & Power Company
Lexington Building
Baltimore, Maryland

443776

Re: Pennsylvania Water & Power Company and Sus-
quehanna Transmission Company of Maryland
Docket No. IT-5915

FEDERAL POWER COMMISSION

DOCKETED

Oct. 27, 1949

ES

DOCKET SECTION
SECRETARY'S OFFICE
100-2 Formal

Gentlemen:

Enclosed is the order entered by the Commission on
October 25, 1949, in the above entitled matter.

Very truly yours,

LEON M. FUQUAY
Secretary.

Enclosure
Registered

ES

Same letter sent Registered to:

Susquehanna Transmission Company of Maryland, Lex-
ington Building, Baltimore, Maryland 443777

The Mayor and City Council of Baltimore, 729 Munsey
Building, Baltimore, Maryland, Att: Thomas J. Ting-
ley, Assistant City Solicitor 443778

County Commissioners of Baltimore County, Baltimore,
Maryland, Att: Michael P. Smith, Counsel 443779

Rustless Iron & Steel Corporation, Baltimore, Maryland,
Att: John H. Lewin, Counsel 443780

Charles Harris, General Counsel, Public Service Commis-
sion of Maryland, Baltimore, Maryland 443781

Charles E. Thomas, Counsel, Pennsylvania Public Utility
Commission, Harrisburg, Pennsylvania 443782

G. Kenneth Reiblich, Esquire, 1707 Lexington Building,
Baltimore, Maryland (Attorney, Consolidated Gas
Electric Light & Power Company of Baltimore)
443783

Safe Harbor Water Power Corporation, Lexington Build-
ing, Baltimore, Md. 443784

[26848]

10/25/49

Docket No. IT-5915

Copy of order sent to:

The Mayor and City Council of Baltimore, 729 Munsey Building, Baltimore, Maryland, Att: Simon E. Sobeloff, City Solicitor of Baltimore

Messrs. Hewes & Awalt, 822 Connecticut Avenue, N. W., Washington, D. C. (for Appls.)

William B. Rafferty, Esquire, Lexington Building, Baltimore, Maryland (Consolidated Gas Electric Light & Power Company of Baltimore)

20 copies—Messrs. Awalt, Sparks, Myse and King, 822 Connecticut Avenue, N. W., Washington, D. C. (for Appls.)

E. M. Sturtevant, Esquire, Clarence W. Miles, Esquire, 1707 Lexington Building, Baltimore, Maryland (Consolidated Gas Electric Light and Power Co. of Baltimore)

George T. Hambright, Esquire, 56 North Duke Street, Lancaster, Pennsylvania (Pennsylvania Water and Power Company)

George Ross Hull, Esquire, Kline Building, 208-210 Walnut Street, Harrisburg, Pennsylvania (Pennsylvania Water and Power Company)

John C. Kelley, Associate Counsel, Pennsylvania Public Utility Commission, Harrisburg, Pennsylvania (for Pennsylvania Water & Power Company)

Mr. Bernard J. Sowa, 1533 East 72nd Street, Chicago 19, Illinois

Mr. Shirley C. Morgan, Equitable Building, Baltimore, Maryland

Mr. H. Arthur Wormcke, Trust Department, Hartford National Bank & Trust Company, Hartford, Connecticut

4802

Pennsylvania Power and Light Company, 901 Hamilton Street, Allentown, Pennsylvania

Philadelphia Electric Company, 1000 Chestnut Street, Philadelphia, Pennsylvania

Metropolitan Edison Company, 412 Washington Street, Reading, Pennsylvania

Alfred P. Ramsey, Esquire, 1707 Lexington Building, Baltimore, Maryland (Consolidated Gas Electric Light & Power Company of Baltimore)

Thomas N. Biddison, City Solicitor, 217 Court House, City of Baltimore, Maryland

Securities and Exchange Commission, 425 Second Street, N. W., Washington, D. C.

cc: Regional Office: New York

Law; Publications; Rates; Power; AFR

ES:en 10/26/49

Letter to Pennsylvania Water & Power Company from
Federal Power Commission, dated December 15, 1949,
transmitting Order entered by the Commission on De-
cember 14, 1949.

[26876]

FEDERAL POWER COMMISSION

DOCKETED

Dec 15 1949

ES

Dec 15 1949

DOCKET SECTION
SECRETARY'S OFFICE
100-2 Formal
443301

Pennsylvania Water & Power Company
Lexington Building
Baltimore, Maryland

Re: Pennsylvania Water & Power Company
Docket No. IT-5915

Gentlemen:

Enclosed is the order entered by the Commission on
December 14, 1949, in the above entitled matter.

Very truly yours,

LEON M. FUQUAY
Secretary.

Enclosure—Registered

Same letter sent to:

Charles Harris, Esq., Public Service Commission of Mary-
land, Baltimore, Md. 443302

Susquehanna Transmission Co. of Md. Lexington Bldg.,
Baltimore, Md. 443303

Charles E. Thomas, Counsel, Public Utility Commission,
Harrisburg, Pa. 443304

G. Kenneth Reiblich, Esq., Consolidated Gas Electric Light
& Power Company of Baltimore, 1707 Lexington Bldg.,
Baltimore, Md. 443305

Copy of order sent to:

The Mayor and City Council of Baltimore, 729 Munsey Bldg., Baltimore, Md. Att: T. J. Tingley, Asst. City Solicitor

Michael Paul Smith, Counsel, County Commissioners of Baltimore County, Balto. Md.

Rustless Iron and Steel Corporation, Baltimore, Md. Att: J. H. Lewin, Counsel

Safe Harbor Water Power Corp., Lexington Bldg., Baltimore, Md.

(20) copies—Messrs. Hewes & Awalt, Attys., 822 Connecticut Ave., N. W., Washington (Pennsylvania Water & Power Co. & Susquehanna Transmission Co.)

William B. Rafferty, Esq., Lexington Bldg., Baltimore, Md. (Consolidated)

F. G. Awalt, Raymond Sparks, D. A. Myse and P. C. King, Jr., 822 Connecticut Avenue, N. W., Washington, D. C. (Consolidated)

E. M. Sturtevant and Clarence W. Miles, Attys., Lexington Bldg., Baltimore, Md. (Consolidated)

George T. Hambright, Esq., 56 North Duke Street, Lancaster, Pa. (Pennsylvania)

George Ross Hull, Esq., Kline Bldg., 208-210 Walnut St., Harrisburg, Pa. (Penn)

John C. Kelley, Associate Counsel, Pennsylvania Public Utility Commission, Harrisburg, Pa.

Mr. Bernard J. Sowa, 1533 East 72nd St., Chicago, Illinois

Mr. Shirley C. Morgan, Equitable Building, Baltimore, Md.

Mr. H. Arthur Wormeke, Hartford National Bank & Trust Co., Trust Dept., Hartford, Connecticut

Securities and Exchange Commission, 425 2nd Street, N. W., Washington, D. C.

4805

Pennsylvania Power & Light Co., 901 Hamilton St., Allentown, Pa.

Philadelphia Electric Co., 1000 Chestnut St., Philadelphia, Pa.

Metropolitan Edison Company, 412 Washington St., Reading, Pa.

Alfred P. Ramsey, Esq., 1707 Lexington Bldg., Baltimore, Md. (Consolidated)

Thomas N. Biddison, City Solicitor, 217 Court House, Baltimore, Md.

Randall J. LeBoeuf, Jr., Esq., 15 Broad St., New York, New York (Penn.)

cc: Regional Office—New York, Law, Publications, AFR,
Power and Rates
ES:dlp 12/15/49